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Annual Financial Report

County of Stanislaus, California

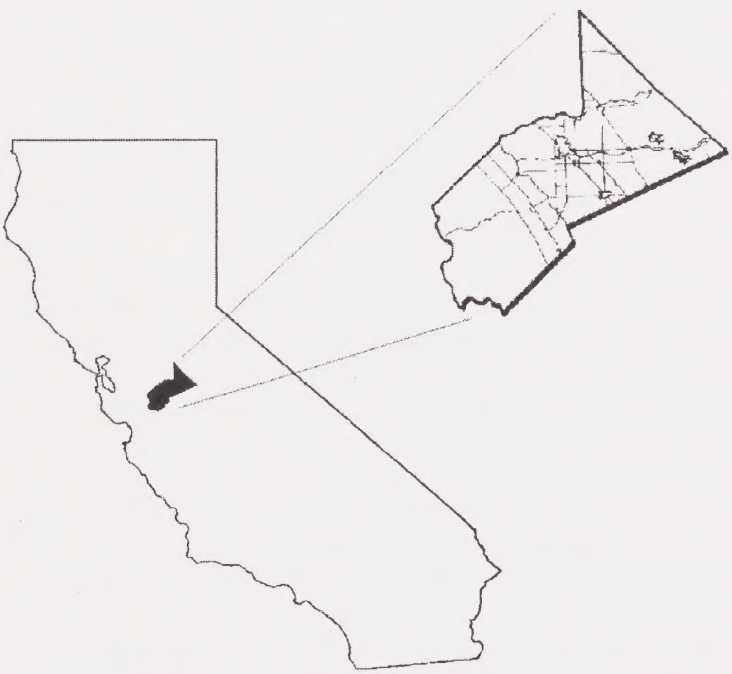
Stanislaus County

Striving to be the Best

Fiscal Year Ended June 30, 2010

Annual Financial Report

County of Stanislaus, California
Fiscal Year Ended
June 30, 2010



Prepared By
Stanislaus County Auditor-Controller's Office
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COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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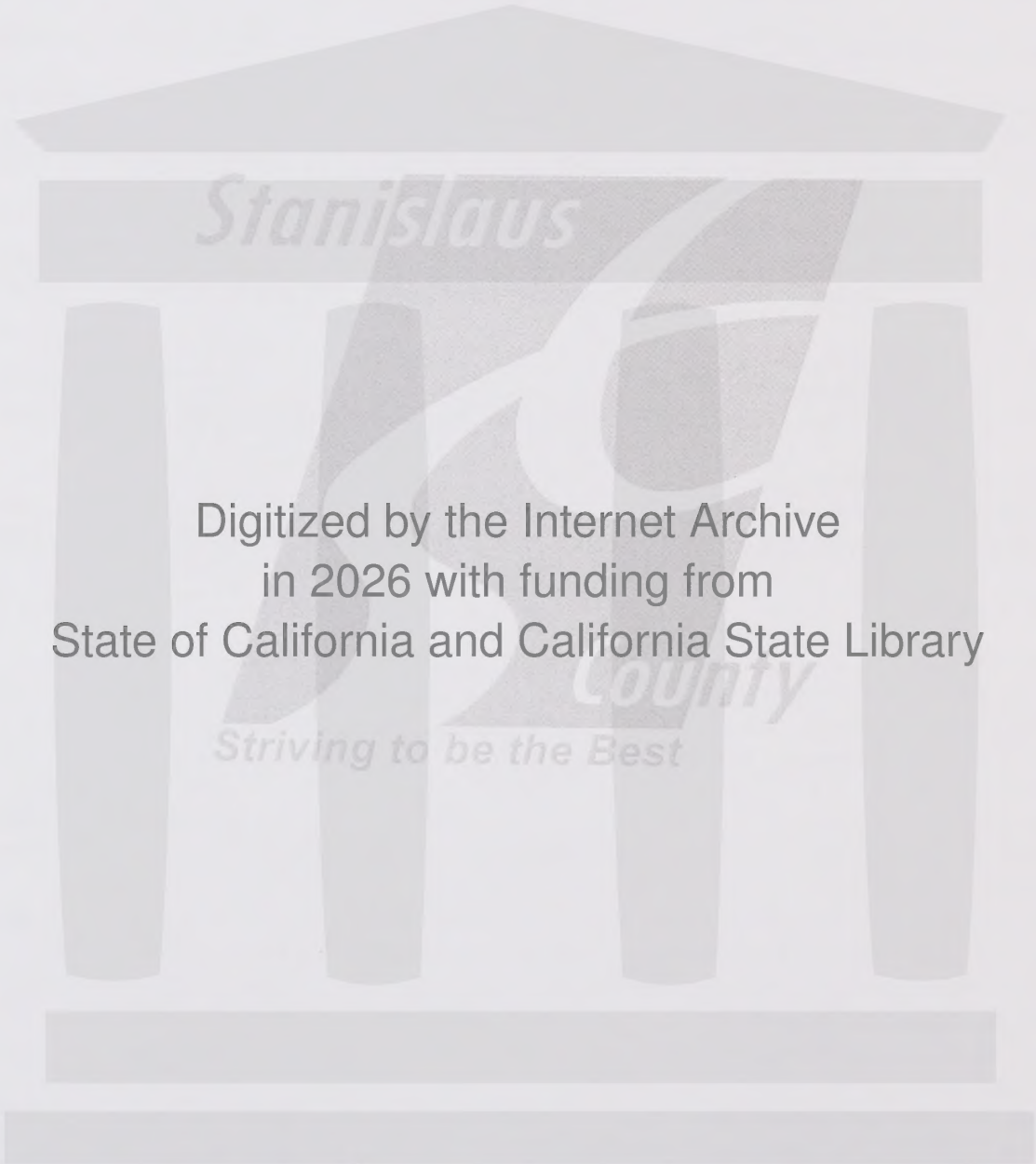

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors
of the County of Stanislaus, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Stanislaus County Employees Retirement System. Those financial statements were audited by other auditors whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for Stanislaus County Employees Retirement System, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Behavioral Health and Recovery, and Community Services Agency Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 14 and on page 86, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
January 5, 2011

Management's Discussion and Analysis

COUNTY OF STANISLAUS
Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2009-2010 fiscal year by $664 million (*net assets)*. Of this amount, $422 million is invested in capital assets net of related debt and $203 million is restricted for specific purpose (*restricted net assets*), leaving $39 million in unrestricted net assets.

- The government's total net assets decreased by $58 million.

- As of June 30, 2010, the County governmental funds reported combined fund balances of $419 million, a decrease of $27 million from the prior year. Approximately 83% of the combined fund balances, or $347 million is available to meet the County's current and future needs (*unreserved fund balance).*

- At the end of the fiscal year, unreserved fund balance for the General Fund was $73 million, or 31% of total General Fund expenditures and transfers out.

- The County's total long-term liabilities changed by a net $6 million in fiscal year 2009-2010. The decrease in long-term liabilities is mainly due to the annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. The Redevelopment Agency, Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

The governmental funds financial statements can be found on pages 18-31 of this report.

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, and Morgan Shop Garage. All of these activities, except the Professional Liability Self-Insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink and Geer Road Landfills, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-84 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, non-major enterprise and internal service funds and are presented following the notes to the basic financial statements. Combining and individual fund statements can be found on pages 87-103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $664 million at the close of the 2009-2010 fiscal year.

By far the largest portion of the County's net assets (63%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 537,852,853	$ 561,942,256	$ 50,762,630	$ 53,762,806	$ 588,615,483	$ 615,705,062
Capital assets	481,217,820	509,226,492	25,896,577	25,996,453	507,114,397	535,222,945
Total assets	1,019,070,673	1,071,168,748	76,659,207	79,759,259	1,095,729,880	1,150,928,007
Long-term liabilities outstanding	316,528,255	322,997,036	3,584,059	3,519,181	320,112,314	326,516,217
Other liabilities	68,947,471	59,441,480	42,579,823	44,818,019	111,527,294	104,259,499
Total liabilities	385,475,726	382,438,516	46,163,882	48,337,200	431,639,608	430,775,716
Net assets:						
Invested in capital, net of related debt	397,176,565	418,149,972	24,537,140	24,087,472	421,713,705	442,237,444
Restricted	182,467,381	189,524,182	20,697,693	20,831,269	203,165,074	210,355,451
Unrestricted	53,951,001	81,056,076	(14,739,508)	(13,496,679)	39,211,493	67,559,397
Total net assets	633,594,947	688,730,230	30,495,325	31,422,062	664,090,272	720,152,292
Net assets	$ 633,594,947	$ 688,730,230	$ 30,495,325	$ 31,422,062	$ 664,090,272	$ 720,152,292

Another significant portion of the County's net assets, $203 million, or 31% represents resources that are subject to external restrictions on how they may be used. The remaining $39 million of the County's net assets are unrestricted. At the end of the current fiscal year, the County is able to report, in total, positive balances in all three categories of net assets.

The County's total net assets decreased by $56 million during the current fiscal year as expenses exceeded revenue by $58 million less $2 million increases in net assets due to cumulative effect of change in accounting principle.

For business-type activities, the County reported a negative balance of $15 million in unrestricted net assets compared to a negative balance of $13 million in the prior year. The negative variance of $2 million from the prior year's unrestricted net assets is partially due to the deficit in Fink Road landfill offset by Health Services Agency's positive variance. Health Services Agency's unrestricted net assets improved as a result of transfer of cash from the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental activities Governmental activities decreased the County's net assets by $57 million, as the amount of expenses exceeded revenues.

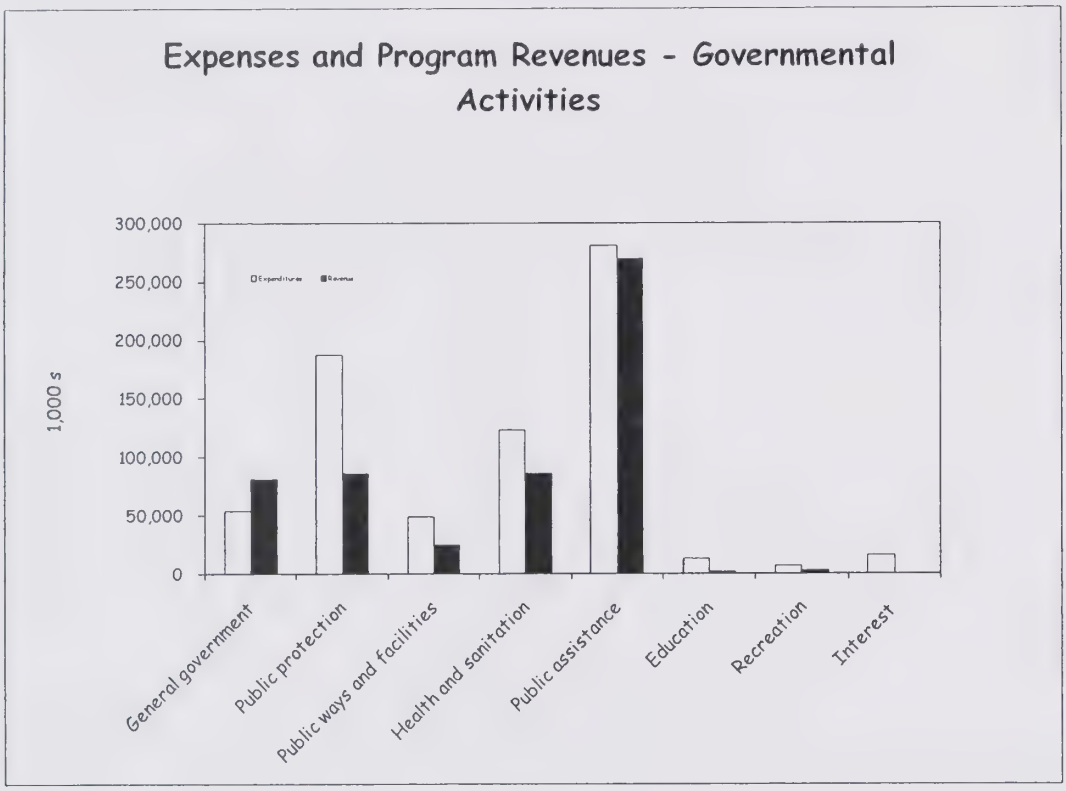
The following table indicates the changes in net assets for governmental and business-type activities:

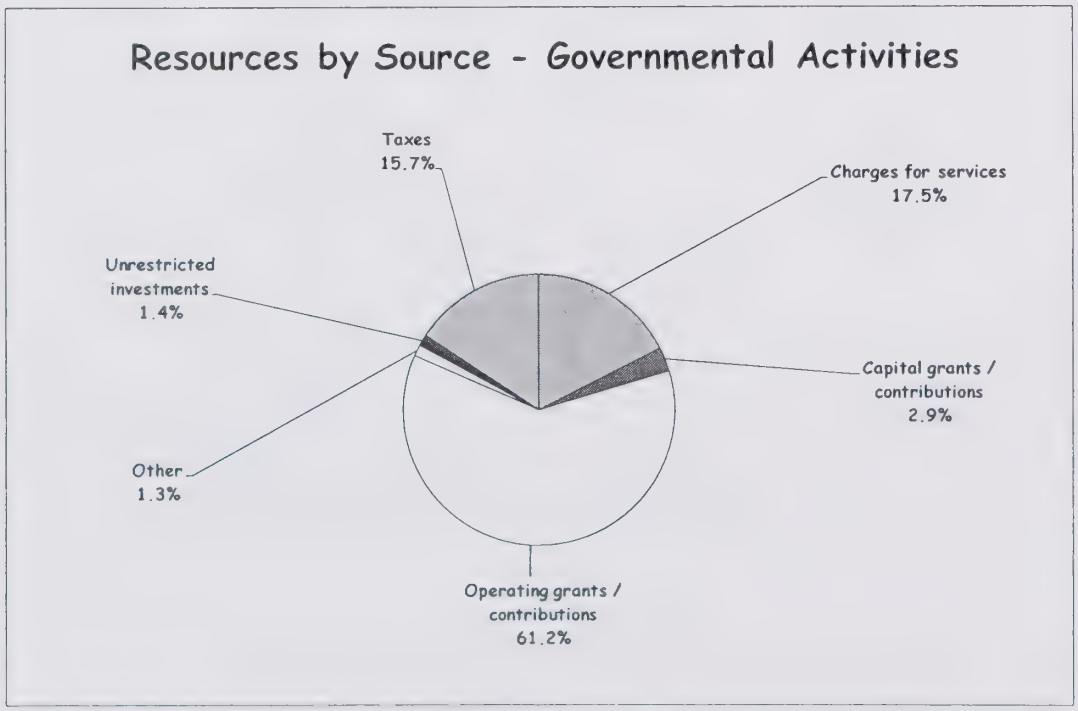
County of Stanislaus Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 118,616,514	$ 116,839,103	$ 50,941,929	$47,141,546	$ 169,558,443	$ 163,980,649
Operating grants and contributions	415,579,530	404,255,872	1,296,301	2,952,731	416,875,831	407,208,603
Capital grants and contributions	19,331,088	25,452,497		-	19,331,088	25,452,497
General revenues:						
Property taxes	83,397,110	103,175,578			83,397,110	103,175,578
Sales taxes	20,677,876	26,568,776	2,962,729	2,781,611	23,640,605	29,350,387
Other taxes	2,220,643	2,765,178			2,220,643	2,765,178
Unrestricted investment earnings	9,327,724	7,448,383	95,463	673,367	9,423,187	8,121,750
Grants/contributions not restricted	958,324	2,508,165			958,324	2,508,165
Other general revenue	7,719,050	9,734,087			7,719,050	9,734,087
Total revenues	677,827,859	698,747,639	55,296,422	53,549,255	733,124,281	752,296,894
Expenses:						
General government	53,939,423	41,874,466			53,939,423	41,874,466
Public protection	187,171,627	188,612,369			187,171,627	188,612,369
Public ways and facilities	48,937,845	53,935,268			48,937,845	53,935,268
Health and sanitation	123,260,103	117,806,204			123,260,103	117,806,204
Public assistance	280,497,676	269,101,718			280,497,676	269,101,718
Education	12,784,666	14,687,440			12,784,666	14,687,440
Recreation	6,986,331	5,811,357			6,986,331	5,811,357
Interest on long-term debt	16,481,243	15,244,566			16,481,243	15,244,566
Landfills			8,600,496	4,766,494	8,600,496	4,766,494
Behavioral health			-	(2,472)	-	(2,472)
Health clinics and ancillary			47,269,019	44,109,486	47,269,019	44,109,486
Inmate welfare and commissary			1,820,149	1,864,632	1,820,149	1,864,632
Transit			3,784,351	3,588,704	3,784,351	3,588,704
Total expenses	730,058,914	707,073,388	61,474,015	54,326,844	791,532,929	761,400,232
Net asset increase (decrease) before transfers	(52,231,055)	(8,325,749)	(6,177,593)	(777,589)	(58,408,648)	(9,103,338)
Transfers	(5,250,856)	(4,251,900)	5,250,856	4,251,900		
Change in net assets	(57,481,911)	(12,577,649)	(926,737)	3,474,311	(58,408,648)	(9,103,338)
Cumulative effect of change in accounting principle	2,346,628				2,346,628	-
Net assets, July 1	688,730,230	701,307,879	31,422,062	37,584,801	720,152,292	738,892,680
Restatements - See Note 2		-	-	(9,637,050)	-	(9,637,050)
Net assets – July 1, restated	688,730,230	701,307,879	31,422,062	27,947,751	720,152,292	729,255,630
Net assets – June 30	$ 633,594,947	$ 688,730,230	$ 30,495,325	$31,422,062	$ 664,090,272	$ 720,152,292

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

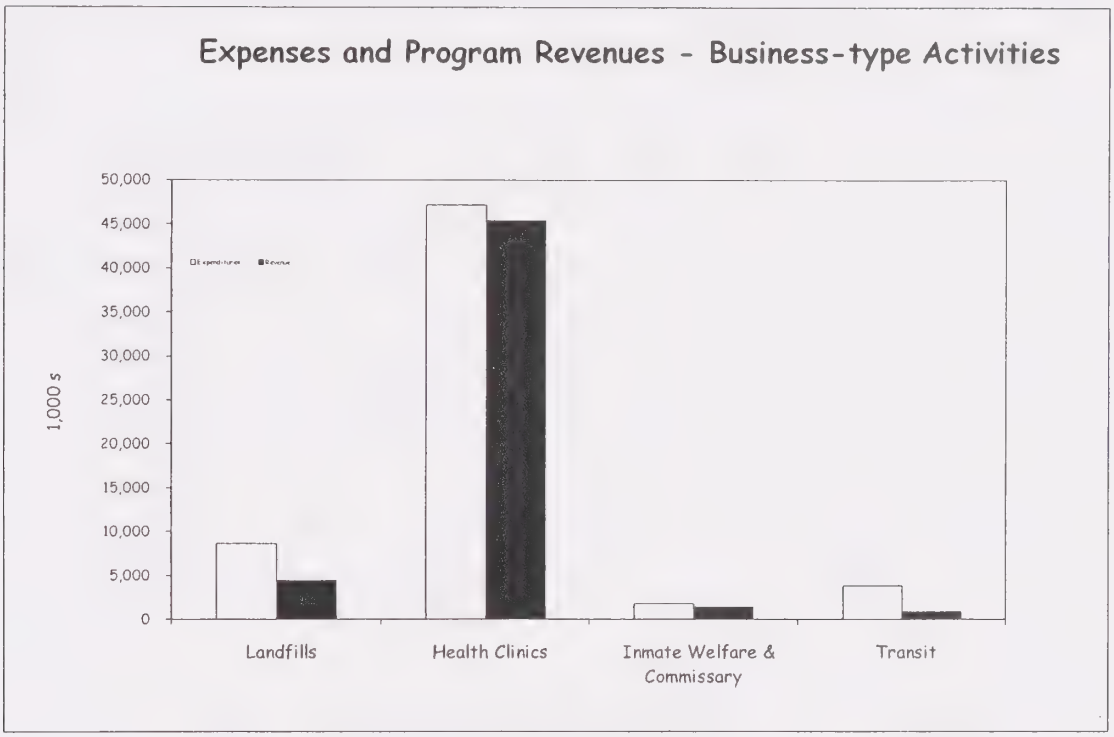
Governmental activities (Cont.)

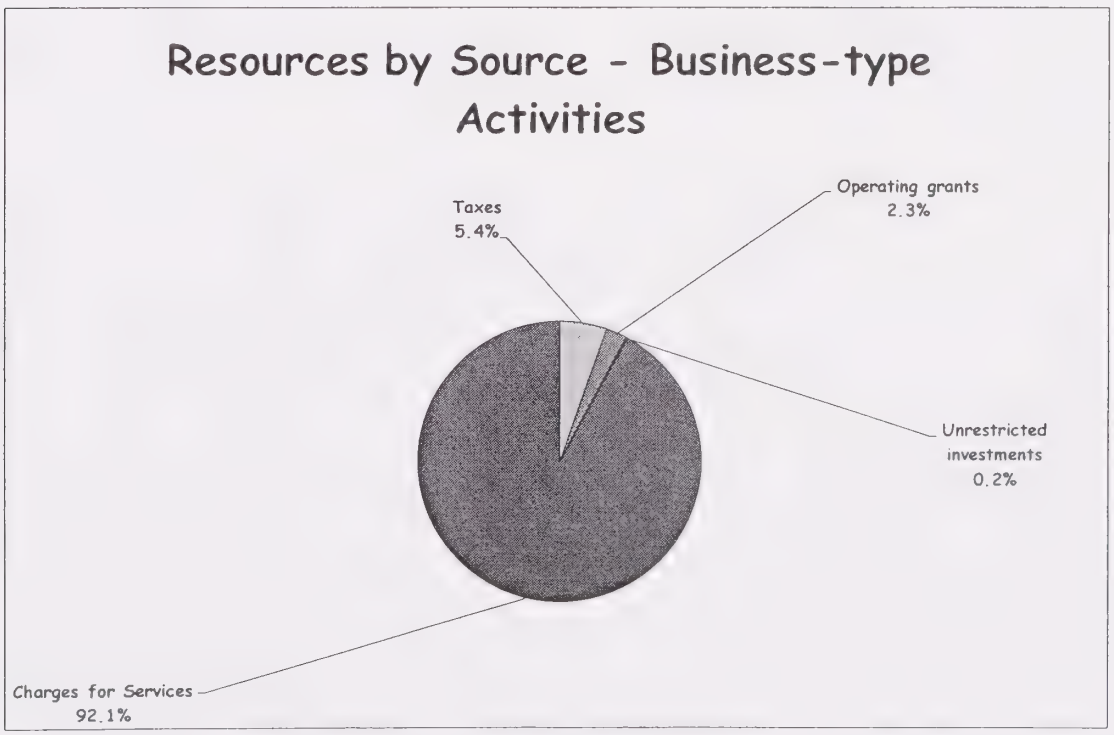




GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Business-type activities





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2010, the County's governmental funds reported combined fund balances of $419 million, a decrease of $27 million in comparison with the prior year. The lower fund balance is a result of decreased revenues in taxes, fines, forfeitures and penalties and revenue from use of money and property.

Approximately 82% ($347 million) of the combined fund balances constitutes *unreserved fund balance,* which is available for spending by the government. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed:

1) to pay debt service $15.3 million
2) to capital projects $1.2 million
3) to liquidate contracts and purchase orders of the prior period $21.2 million
4) to reflect amount due from other funds that are long-term in nature and thus do not represent available spendable resources $0.5 million
5) to reflect long term receivables for delinquent taxes due from taxpayers $22.2 million
6) to reflect amounts loaned to other governments that are long-term and do not represent available resources $3.8 million
7) to a variety of other restricted purposes $7.8 million.

The General Fund is the chief operating fund of the County. At June 30, 2010, unreserved fund balance of the General Fund was $73 million while total fund balance was $106 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures, including transfers out. Unreserved fund balance represents 31% of total fund expenditures and transfers out, while total fund balance represents 45% of that same amount.

The County's management also designates (earmarks) unreserved fund balance to a particular function, project, activity or for purposes beyond the current year. However, designated fund balance is available for appropriation at any time. Of the $73 million General Fund unreserved fund balance, 69% is designated. Unreserved, undesignated fund balance at year-end was $22 million compared to $33 million at June 30, 2009. A net decrease of $11 million is due to fiscal year 2009-2010 net change in fund balance by $16 million offset by a net decrease of $5 million in the designations and reserves.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)

The total fund balance of the County's General Fund decreased from $123 million to $106 million. Variance is due to expenses, including transfers out, exceeding revenue in fiscal year 2009-2010.

The debt service funds have a total fund balance of $15 million. Most of the debt service fund balance is reserved for debt service payment, consistent with prior years.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	County of Stanislaus Proprietary Funds				
	Major Funds			Non-major	
	Fink Road Landfill	Geer Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	Total
Operating revenues	$ 4,220,903	$ -	$ 43,674,862	$ 1,726,324	$49,622,089
Operating expenses	8,600,496		45,683,663	5,604,500	59,888,659
Operating income (loss)	(4,379,593)		(2,008,801)	(3,878,176)	(10,266,570)
Non-operating revenues (expenses), net	370,972	41,125	(185,282)	3,594,532	3,821,347
Net income (loss) before contributions and transfers	(4,008,621)	41,125	(2,194,083)	(283,644)	(6,445,223)
Contributions and transfers	(479,604)	450,000	5,312,711	(32,243)	5,250,864
Net income	$ (4,488,225)	$491,125	$ 3,118,628	$ (315,887)	$ (1,194,359)

GENERAL FUND BUDGETARY HIGHLIGHTS

The County appropriated $2.7 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. At year-end, revenues were less than budgetary estimates in the General Fund by $5.4 million and expenditures were less than budgetary estimates by $19.1 million.

During the year, appropriations were increased by a net $1.0 million resulting in a difference between the original budget and the final amended budget. The net increase in appropriations was related to increases in the Sheriff's Office, Parks and Recreation and Elections Division offset by decreases in appropriations for contingencies, county match, transfers out, Plant Acquisition, CEO Ray Simon Training Center and Probation.

The original budget for General Fund Match (transfers out) was decreased by $900 thousand. Health Services Agency's match was decreased as a result of savings. Community Services Agency's match was increased to meet the mandated requirements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounted to $507 million (net of accumulated depreciation) compared to $535 million in prior year, variance of $28 million. This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, equipment and intangible assets. Per Government Accounting Standards Board (GASB) Statement No. 51, *Accounting & Financial Reporting for Intangible Assets* all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The County's total investment in capital assets for the current period increased by $3.3 million to account for the accumulated amount of intangible assets. Other additions were approximately $12 million. The sum of retires and current year depreciation was $43 million. The net decrease in capital assets of $28 million is comprised of total additions of approximately $15 million less retires and current year depreciation of $43 million.

Major capital asset events during the 2009-2010 fiscal year included the following:

- Animal Services Facility Design Build Construction Contract totaling $8.4 million.
- Juvenile Commitment Facility Board approved architectural design phase using public facility fees funding of $2.4 million for the construction of a 60 bed commitment facility; total project estimate of $24.3 million.
- Salida Library Tenant Improvements, Board approved architectural design phase three using Library fund balance; total project estimate of $2.5 million.
- County Honor Farm Barracks 1 & 2 lost to fire. Settling claim with insurer and projected cost to replace the lost 172 beds is approximately $10-$15 million.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Stanislaus Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land and Right of Ways	$ 40,427,688	$ 40,271,818	$ 15,462,882	$ 15,462,882	$ 55,890,570	$ 55,734,700
Infrastructure	251,029,444	274,972,149			251,029,444	274,972,149
Structures and improvements	137,940,406	146,832,062	3,703,413	4,068,328	141,643,819	150,900,390
Equipment	42,469,905	43,092,598	6,662,189	6,385,802	49,132,094	49,478,400
Construction in progress - Intangible Assets	3,308,247	-	-	-	3,308,247	-
Construction in progress	6,042,130	4,057,865	68,093	79,441	6,110,223	4,137,306
Total	$ 481,217,820	$ 509,226,492	$ 25,896,577	$ 25,996,453	$ 507,114,397	$ 535,222,945

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Long-term debt

At June 30, 2010, the County had total long-term debt outstanding of $255 million compared to $269 million as of June 30, 2009. The decrease of $14 million is due to annual debt service payments.

Our long-term debt ratings are an "A+" from Standard and Poor's Corporation and an "A1" with a negative outlook, from Moody's Investor service.

County of Stanislaus
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Certificates of Participation	$ 83,622,252	$ 91,210,875	$ 377,416	$ 553,136	$ 83,999,668	$ 91,764,011
Bonds Payable	53,785,000	62,515,000			53,785,000	62,515,000
Tobacco Securitization Note	99,268,611	100,733,611			99,268,611	100,733,611
Accreted Interest Tobacco Note	12,241,055	9,016,239			12,241,055	9,016,239
RDA USDA Loan	4,205,000	4,265,000			4,205,000	4,265,000
RDA CalHFA Loan	562,500				562,500	-
Interest RDA CalHFA Loan	65,827				65,827	-
RDA State Water Board Loan	967,285	1,111,965			967,285	1,111,965
Total	$ 254,717,530	$ 268,852,690	$ 377,416	$ 553,136	$ 255,094,946	$ 269,405,826

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate in the County for September 2010 was 16% compared to 12.4% for the State of California and 9.6% for the nation.
- Median home prices in Stanislaus County decreased 3.6% from September 2009 to September 2010. Statewide median home prices increased 5.6% for the same period.
- Building permits issued in Stanislaus County decreased 49.4% in September 2010 compared to the prior year. Statewide issuance of building permits increased by 23.2% for the same period.
- County departments were allowed to increase fiscal year 2010-2011 appropriations by the amount equivalent to 75% of the savings in fiscal year 2009-2010.
- Unreserved, undesignated fund balance as of June 30, 2010 is $22 million. Part of the fund balance is being used to balance the budget for fiscal year 2010-2011.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

Basic Financial Statements

County of Stanislaus
Statement of Net Assets
June 30, 2010

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and investments	$ 311,261,362	$ 12,846,046	$ 324,107,408
Investments with fiscal agent	104,744,437	262,789	105,007,226
Taxes receivable	30,932,741		30,932,741
Accounts receivable	50,931,148	20,324,950	71,256,098
Interest and other receivables	1,832,520	159,567	1,992,087
Deposit with others	535,000		535,000
Deferred charges	2,795,992		2,795,992
Inventory	613,280	216,201	829,481
Prepaid items	385,305	199,364	584,669
Loans to other governments	11,263,027		11,263,027
Internal balances	3,879,651	(3,879,651)	
Restricted cash and investments	4,169,660	20,633,364	24,803,024
Investments - joint ventures	14,508,730		14,508,730
Capital assets: (net of accumulated depreciation)			
Land & Right of Ways	40,427,688	15,462,882	55,890,570
Infrastructure	251,029,444		251,029,444
Structures and improvements	137,940,406	3,703,413	141,643,819
Equipment	42,469,905	6,662,189	49,132,094
Intangible Assets	3,308,247		3,308,247
Construction in progress	6,042,130	68,093	6,110,223
Total capital assets	481,217,820	25,896,577	507,114,397
Total assets	1,019,070,673	76,659,207	1,095,729,880
LIABILITIES			
Accounts payable	28,420,467	3,439,600	31,860,067
Salaries and benefits payable	8,485,589	715,749	9,201,338
Interest payable	3,364,621		3,364,621
Unearned revenue	28,347,580	99,912	28,447,492
Deposits from others	9,570	28,617	38,187
Due to other governments	319,644		319,644
Payables to external parties		24,729,526	24,729,526
Estimated cost of landfill closure/postclosure		13,566,419	13,566,419
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	7,206,269	628,000	7,834,269
Capital leases - current	595,681	311,171	906,852
Compensated absences - current	1,072,029	114,104	1,186,133
Long-term obligations - current	20,240,148	183,360	20,423,508
Portion due or payable after one year:			
Risk management liability	18,603,339		18,603,339
Other post-employment benefits (OPEB)	4,319,174	262,764	4,581,938
Capital leases payable	1,092,326	670,851	1,763,177
Compensated absences	28,921,905	1,219,753	30,141,658
Long-term obligations	234,477,384	194,056	234,671,440
Total liabilities	385,475,726	46,163,882	431,639,608
NET ASSETS			
Investment in capital assets, net of related debt	397,176,565	24,537,140	421,713,705
Restricted for:			
Capital projects	113,361,790		113,361,790
Debt service	15,662,694		15,662,694
Other purposes	53,442,897	20,697,693	74,140,590
Unrestricted (deficit)	53,951,001	(14,739,508)	39,211,493
Total net assets	$ 633,594,947	$ 30,495,325	$ 664,090,272

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 53,939,423	$ 25,288,833	$ 54,875,911	$ 926,304
Public protection	187,171,627	40,563,656	45,160,364	362,406
Public ways and facilities	48,937,845	6,969,697	149,547	17,774,111
Health and sanitation	123,260,103	35,071,044	51,173,474	57,838
Public assistance	280,497,676	7,475,063	262,572,946	
Education	12,784,666	456,577	1,142,939	92,266
Recreation	6,986,331	2,791,644	504,349	118,163
Interest and fiscal charges on long-term debt	16,481,243			
Total governmental activities	730,058,914	118,616,514	415,579,530	19,331,088
Business-type activities:				
Landfills	8,600,496	4,220,903	271,648	
Health Clinics & Ancillary	47,269,019	44,994,702	423,193	
Inmate Welfare and Commissary	1,820,149	1,379,595	976	
Transit	3,784,351	346,729	600,484	
Total business-type activities	61,474,015	50,941,929	1,296,301	
Total Stanislaus County	$ 791,532,929	$ 169,558,443	$ 416,875,831	$ 19,331,088

General revenues:	
Taxes:	
Property taxes	
Property taxes in lieu vehicle license fees	
Property taxes - unsecured	
Sales taxes	
Sales taxes - library	
Sales taxes - road	
In lieu sales tax	
Other taxes	
Franchise fees	
Unrestricted investment earnings	
Miscellaneous	
Net transfers	
Total general revenues and transfers	
Changes in net assets	
Net assets--beginning	
Cumulative effect of change in accounting principle	
Net assets--beginning, restated	
Net assets--ending	

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
27,151,625	$	$ 27,151,625	General government
(101,085,201)		(101,085,201)	Public protection
(24,044,490)		(24,044,490)	Public ways and facilities
(36,957,747)		(36,957,747)	Health and sanitation
(10,449,667)		(10,449,667)	Public assistance
(11,092,884)		(11,092,884)	Education
(3,572,175)		(3,572,175)	Recreation
(16,481,243)		(16,481,243)	Interest and fiscal charges on long-term debt
(176,531,782)		(176,531,782)	Total governmental activities
			Business-type activities:
	(4,107,945)	(4,107,945)	Landfills
	(1,851,124)	(1,851,124)	Health Clinics & Ancillary
	(439,578)	(439,578)	Inmate Welfare and Commissary
	(2,837,138)	(2,837,138)	Transit
	(9,235,785)	(9,235,785)	Total business-type activities
$ (176,531,782)	$ (9,235,785)	$ (185,767,567)	Total Stanislaus County
			General revenues:
			Taxes:
33,701,396		33,701,396	Property taxes
47,512,155		47,512,155	Property taxes in lieu vehicle license fees
2,183,559		2,183,559	Property taxes - unsecured
10,020,806	2,962,729	12,983,535	Sales taxes
6,556,388		6,556,388	Sales taxes - library
338,277		338,277	Sales taxes - road
3,762,405		3,762,405	In lieu sales tax
2,220,643		2,220,643	Other taxes
958,324		958,324	Franchise fees
9,327,724	95,463	9,423,187	Unrestricted investment earnings
7,719,050		7,719,050	Miscellaneous
(5,250,856)	5,250,856		Net transfers
119,049,871	8,309,048	127,358,919	Total general revenues and transfers
(57,481,911)	(926,737)	(58,408,648)	Changes in net assets
688,730,230	31,422,062	720,152,292	Net assets--beginning
2,346,628		2,346,628	Cumulative effect of change in accounting principle
691,076,858	31,422,062	722,498,920	Net assets--beginning, restated
$ 633,594,947	$ 30,495,325	$ 664,090,272	Net assets--ending

County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	$ 60,744,568	$	$ 32,518,501	$ 8,807,867	$ 86,981,941	$ 86,806,213	$ 275,859,090
Investments with fiscal agent		92,505,506				12,238,931	104,744,437
Taxes receivable	30,932,741						30,932,741
Accounts receivable	11,340,865		10,707,958	6,448,348		22,239,346	50,736,517
Interest and other receivables	386,457	749,571	95,186		277,709	228,535	1,737,458
Inventory						406,737	406,737
Due from other funds	5,874,681		302,249	825,860		909,498	7,912,288
Deposit with others	10,000						10,000
Loans to other governments	3,765,354	7,475,978				21,695	11,263,027
Advances to other funds	500,000						500,000
Prepaid items	220,925		3,435			145,649	370,009
Restricted cash and investments	4,169,660						4,169,660
Total assets	$ 117,945,251	$ 100,731,055	$ 43,627,329	$ 16,082,075	$ 87,259,650	$ 122,996,604	$ 488,641,964
Liabilities and fund balance							
Liabilities							
Accounts payable	$ 4,695,696	$	$ 10,677,220	$ 72,820	$	$ 11,399,015	$ 26,844,751
Salaries and benefits payable	3,796,615		833,931	1,632,064		2,092,750	8,355,360
Sales tax liability				2,446			2,446
Due to other funds	1,070,430					2,962,207	4,032,637
Due to other governments				319,644			319,644
Deposits from others	9,570						9,570
Deferred revenue	1,956,488	749,571	12,113,594	12,923,176		1,432,187	29,175,016
Advances from other funds						500,000	500,000
Total liabilities	11,528,799	749,571	23,624,745	14,950,150		18,386,159	69,239,424
Fund balance:							
Reserved for							
Encumbrances	2,657,199		253,953			18,311,801	21,222,953
Advances to other funds	500,000						500,000
Long term receivables	22,233,301						22,233,301
Loans to other governments	3,765,354					24,565	3,789,919
Other	4,492,430		12,136	25,150		3,270,579	7,800,295
Capital projects						1,193,740	1,193,740
Debt service						15,300,940	15,300,940
Unreserved							
Designated for							
Debt service	11,779,459					147,000	11,926,459
Contingencies	38,862,673					405,161	39,267,834
Reported in							
General fund	22,126,036						22,126,036
Special revenue funds		99,981,484	19,736,495	1,106,775		45,404,964	166,229,718
Capital project funds					87,259,650	20,355,370	107,615,020
Debt service funds						196,325	196,325
Total fund balance	106,416,452	99,981,484	20,002,584	1,131,925	87,259,650	104,610,445	419,402,540
Total liabilities and fund balance	$ 117,945,251	$ 100,731,055	$ 43,627,329	$ 16,082,075	$ 87,259,650	$ 122,996,604	$ 488,641,964

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Total fund balances for governmental funds (page 18)		$ 419,402,540
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 40,427,688	
Intangible Assets - Internally Generated Software	$ 603,650	
Infrastructure	251,029,444	
Structures and improvements	137,162,142	
Equipment	36,215,459	
Construction in progress	6,042,130	
Total capital assets		471,480,513
Investments - Joint ventures		14,508,730
Internal service funds are used by the County to charge the cost of general liability, unemployment, worker's compensation, dental, vision, & purchased insurance plus Central services, Fleet services, Technology & communication and Morgan shop garage to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.		17,891,859
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.		827,431
Costs of issuance that benefit future periods are recognized as expenditures in the funds.		2,795,992
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.		
Balances at June 30, 2010 are:		
Certificates of participation	(83,622,253)	
Bonds payable and Loans	(59,585,612)	
Tobacco securitization notes	(111,509,667)	
Capital leases	(1,673,704)	
Accrued interest on long term debt	(3,364,621)	
Other post-employment benefits (OPEB)	(4,239,748)	
Compensated absences	(29,316,513)	
Total long-term liabilities		(293,312,118)
Net assets of governmental activities (page 15)		$ 633,594,947

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	$ 96,595,505	$	$	$	$	$ 9,706,761	$ 106,302,266
Licenses, permits and franchises	2,317,890			73,571		1,388,078	3,779,539
Fines, forfeitures and penalties	12,221,011		84,401			3,547,627	15,853,039
Revenue from use of money and property	3,673,171	5,436,796	569,230	1,358	976,494	971,668	11,628,717
Intergovernmental	56,960,708		34,980,018	189,340,929		151,110,207	432,391,862
Charges for services	40,275,759		21,310,971	1,452,100	2,772,869	34,158,169	99,969,868
Miscellaneous	317,538		481,020	528,527		6,373,716	7,700,801
Donation							
Total revenues	212,361,582	5,436,796	57,425,640	191,396,485	3,749,363	207,256,226	677,626,092
EXPENDITURES:							
Current:							
General government	31,701,869					791,084	32,492,953
Public protection	136,049,013		982,461			47,456,552	184,488,026
Public ways and facilities	316,206					24,520,051	24,836,257
Health and sanitation	7,176,697		59,011,704			51,015,929	117,204,330
Public assistance	407,130			194,873,270		83,148,640	278,429,040
Education	384,660					11,041,861	11,426,521
Recreation and cultural servic	4,660,259					520,210	5,180,469
Capital outlay					188,002	17,348,135	17,536,137
Debt service:							
Interest and fiscal charges	55,929		3,480	19,833		11,340,800	11,420,042
Principal	504,494		8,895	154,303		17,878,960	18,546,652
Total expenditures	181,256,257		60,006,540	195,047,406	188,002	265,062,222	701,560,427
Excess revenues over (under) expenditures	31,105,325	5,436,796	(2,580,900)	(3,650,921)	3,561,361	(57,805,996)	(23,934,335)
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	951,918		135,812	136,963			1,224,693
Transfers in	6,781,350		7,599,486	5,807,268	719,671	46,439,420	67,347,195
Transfers out	(54,965,630)	(2,889,528)	(854,920)	(2,465,908)	(4,498,130)	(5,573,248)	(71,247,364)
Sale of capital assets	10,718		2,471	1,603		3,474	18,266
Total other financing sources (uses)	(47,221,644)	(2,889,528)	6,882,849	3,479,926	(3,778,459)	40,869,646	(2,657,210)
Net change in fund balances	(16,116,319)	2,547,268	4,301,949	(170,995)	(217,098)	(16,936,350)	(26,591,545)
Fund balance -- beginning	122,532,771	97,434,216	15,700,635	1,302,920	87,476,748	121,546,795	445,994,085
Fund balances -- ending	$ 106,416,452	$ 99,981,484	$ 20,002,584	$ 1,131,925	$ 87,259,650	$ 104,610,445	$ 419,402,540

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Net change in fund balances - total governmental funds (page 20)		$ (26,591,545)
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets and infrastructure	$ 9,961,042	
Less current year depreciation	(36,464,103)	(26,503,061)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets		(3,449,278)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(59,818)
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets		(1,224,693)
Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.		
Repayments:		
Certificate of participation	7,444,280	
Other long-term debt	9,806,353	
Capital lease	667,691	
Amortization of issuance premium	144,343	18,062,667
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other post-employment benefits (OPEB)	$ (2,744,298)	
Change in investment in joint ventures	(1,580,348)	
Change in accrued interest payable	(520,244)	
Change in Tobacco accreted interest payable	(3,224,816)	
Change in compensated absences	(1,000,679)	
Change in deferred charges	(163,422)	(9,233,807)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		(8,482,376)
Change in net assets of governmental activities (page 17)		$ (57,481,911)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Revenues:				
Taxes	$ 107,076,400	$ 100,763,348	$ 96,595,505	$ (4,167,843)
Licenses, permits and franchises	2,448,678	2,497,278	2,317,890	(179,388)
Fines, forfeitures and penalties	10,447,350	12,047,350	12,221,011	173,661
Revenue from use of money and property	5,390,923	4,919,843	3,673,171	(1,246,672)
Intergovernmental revenue	61,123,804	56,613,699	56,960,708	347,009
Charges for services	40,714,158	39,738,021	40,275,759	537,738
Miscellaneous revenue	1,227,968	1,158,358	317,538	(840,820)
Total revenues	228,429,281	217,737,897	212,361,582	(5,376,315)
Expenditures: General				
Assessor				
Salaries and employee benefits	4,959,186	5,007,730	4,869,464	138,266
Services and supplies	418,929	413,371	408,852	4,519
Other charges	181,390	178,109	178,109	
Expenditure transfer	115,960	115,932	115,932	
Total expenditures	5,675,465	5,715,142	5,572,357	142,785
Auditor-Controller				
Salaries and employee benefits	4,102,217	4,102,217	3,811,277	290,940
Services and supplies	235,749	235,749	81,728	154,021
Other charges	141,250	141,250	134,951	6,299
Expenditure transfer	(60,250)	(60,250)	(40,625)	(19,625)
Total expenditures	4,418,966	4,418,966	3,987,331	431,635
Board of Supervisors				
Salaries and employee benefits	853,404	853,404	830,182	23,222
Services and supplies	115,799	115,799	112,554	3,245
Other charges	25,990	25,990	22,065	3,925
Expenditure transfer	35,560	35,560	35,031	529
Total expenditures	1,030,753	1,030,753	999,832	30,921
Clerk of the Board				
Salaries and employee benefits	429,359	411,959	399,829	12,130
Services and supplies	40,502	70,875	58,990	11,885
Other charges	43,070	30,097	10,070	20,027
Expenditure transfer	18,150	18,150	18,148	2
Total expenditures	531,081	531,081	487,037	44,044
Chief Executive				
Salaries and employee benefits	4,745,310	4,770,310	4,620,402	149,908
Services and supplies	1,853,298	1,867,298	1,567,789	299,509
Other charges	192,567	192,567	160,213	32,354
Expenditure transfer	126,495	157,495	131,863	25,632
Total expenditures	6,917,670	6,987,670	6,480,267	507,403
Economic Development				
Salaries and employee benefits				
Services and supplies	132,959	174,759	41,799	132,960
Other charges		200	200	
Total expenditures	132,959	174,959	41,999	132,960

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Purchasing Agent				
Salaries and employee benefits	485,734	437,666	425,369	12,297
Services and supplies	13,570	66,495	66,435	60
Other charges	21,365	16,377	16,377	
Expenditure transfer	23,617	23,748	22,372	1,376
Total expenditures	544,286	544,286	530,553	13,733
Risk Management				
Salaries and employee benefits	1,553,041	1,552,721	1,482,906	69,815
Services and supplies	90,830	91,150	90,996	154
Other charges	51,413	51,413	42,934	8,479
Expenditure transfer	34,590	34,590	17,556	17,034
Total expenditures	1,729,874	1,729,874	1,634,392	95,482
Capital Improvement Financing Authority				
Salaries and employee benefits	100,000	100,000	100,000	
Services and supplies	97,251	97,251	31,429	65,822
Other charges	14,833	14,833	14,249	584
Total expenditures	212,084	212,084	145,678	66,406
Plant Acquisition				
Salaries and employee benefits	50,000	50,000	39,764	10,236
Services and supplies	1,248,077	651,536	(110,468)	762,004
Other charges	177,070	177,533	124,400	53,133
Expenditure transfer		13,287	13,287	
Fixed assets	236,905	456,905	(211,364)	668,269
Total expenditures	1,712,052	1,349,261	(144,381)	1,493,642
Appropriations for Contingencies				
Appropriations for contingencies	4,000,000	2,781,600		2,781,600
Total expenditures	4,000,000	2,781,600		2,781,600
County Facilities				
Services and supplies	442,122	397,122	36,808	360,314
Other charges	7,260	15,460	8,824	6,636
Expenditure transfer	151,390	188,190	200,008	(11,818)
Total expenditures	600,772	600,772	245,640	355,132

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Elections Division				
Salaries and employee benefits	966,812	1,029,812	894,560	135,252
Services and supplies	1,200,304	2,052,304	1,426,523	625,781
Other charges	61,210	66,210	54,261	11,949
Expenditure transfer	126,148	126,148	126,993	(845)
Total expenditures	2,354,474	3,274,474	2,502,337	772,137
County Counsel				
Salaries and employee benefits	2,185,764	2,155,764	2,065,002	90,762
Services and supplies	182,240	212,240	152,237	60,003
Other charges	64,438	64,438	42,123	22,315
Expenditure transfer	51,140	51,140	51,177	(37)
Total expenditures	2,483,582	2,483,582	2,310,539	173,043
Treasurer and Tax Collector				
Salaries and employee benefits	1,110,794	1,051,749	1,024,024	27,725
Services and supplies	146,902	272,352	271,000	1,352
Other charges	135,310	120,390	120,390	
Expenditure transfer	108,430	56,945	55,539	1,406
Total expenditures	1,501,436	1,501,436	1,470,953	30,483
Revenue Recovery				
Salaries and employee benefits	1,102,688	1,102,688	1,049,703	52,985
Services and supplies	161,587	197,587	143,053	54,534
Other charges	200,550	164,550	128,455	36,095
Expenditure transfer	(643,500)	(643,500)	(540,150)	(103,350)
Fixed assets	15,530	15,530		15,530
Total expenditures	836,855	836,855	781,061	55,794
CEO Match - Other Agencies				
Other charges	1,753,479	1,133,899	1,133,671	228
Total expenditures	1,753,479	1,133,899	1,133,671	228
Treasury				
Salaries and employee benefits	275,020	275,020	264,228	10,792
Services and supplies	148,352	146,752	91,318	55,434
Other charges	19,635	21,235	20,087	1,148
Expenditure transfer	283,965	283,965	225,719	58,246
Total expenditures	726,972	726,972	601,352	125,620
Facility Maintenance				
Salaries and employee benefits	3,154,406	3,256,363	3,142,951	113,412
Services and supplies	5,392,353	5,392,353	5,295,604	96,749
Other charges	239,573	239,573	204,235	35,338
Expenditure transfer	(4,865,198)	(4,865,198)	(5,042,366)	177,168
Total expenditures	3,921,134	4,023,091	3,600,424	422,667

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
General Services Agency				
Salaries and employee benefits	531,253	524,378	498,180	26,198
Services and supplies	2,650	6,275	6,029	246
Other charges	13,465	16,715	14,647	2,068
Expenditure transfer	(57,093)	(39,104)	(27,644)	(11,460)
Total expenditures	490,275	508,264	491,212	17,052
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	3,436,424	3,235,943	3,154,379	81,564
Services and supplies	319,068	627,151	607,735	19,416
Other charges	217,587	203,787	200,724	3,063
Expenditure transfer	233,520	229,804	229,243	561
Fixed assets	84,009	135,944	50,455	85,489
Total expenditures	4,290,608	4,432,629	4,242,536	190,093
Animal Services				
Salaries and employee benefits	2,481,046	2,481,046	2,335,495	145,551
Services and supplies	577,259	571,631	381,520	190,111
Other charges	206,120	209,749	209,286	463
Expenditure transfer	33,970	35,970	35,792	178
Total expenditures	3,298,395	3,298,396	2,962,093	336,303
Office of Emergency Services				
Salaries and employee benefits	894,267	768,010	680,409	87,601
Services and supplies	209,174	482,523	456,028	26,495
Other charges	757,390	718,781	556,762	162,019
Expenditure transfer	56,360	64,360	63,070	1,290
Fixed assets		20,797	18,041	2,756
Total expenditures	1,917,191	2,054,471	1,774,310	280,161
County Court Funding				
Salaries and employee benefits				
Services and supplies	166,290	126,690	126,250	440
Other charges	6,066,708	6,158,308	6,100,272	58,036
Expenditure transfer	381,840	426,140	426,067	73
Total expenditures	6,614,838	6,711,138	6,652,589	58,549
Recorder Division				
Salaries and employee benefits	1,256,065	1,256,065	1,188,560	67,505
Services and supplies	80,498	80,498	31,506	48,992
Other charges	171,710	171,710	164,935	6,775
Expenditure transfer	194,640	194,640	197,937	(3,297)
Total expenditures	1,702,913	1,702,913	1,582,938	119,975

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
District Attorney				
Salaries and employee benefits	12,582,756	12,267,756	11,770,179	497,577
Services and supplies	547,279	858,835	785,872	72,963
Other charges	580,463	608,907	604,894	4,013
Expenditure transfer	388,840	363,840	303,664	60,176
Fixed assets	42,001	42,001	(10,910)	52,911
Total expenditures	14,141,339	14,141,339	13,453,699	687,640
Planning				
Salaries and employee benefits	1,433,402	1,461,402	1,420,720	40,682
Services and supplies	64,979	42,479	39,647	2,832
Other charges	66,840	61,340	60,939	401
Expenditure transfer	37,590	37,590	37,583	7
Total expenditures	1,602,811	1,602,811	1,558,889	43,922
Probation				
Salaries and employee benefits	1,861,289	2,007,612	1,899,788	107,824
Services and supplies	450,143	369,820	261,884	107,936
Other charges	601,229	614,229	465,560	148,669
Expenditure transfer	1,000	1,000	130	870
Fixed assets	35,375	35,375	9,159	26,216
Total expenditures	2,949,036	3,028,036	2,636,521	391,515
Probation - Casework				
Salaries and employee benefits	9,982,064	9,983,571	9,373,832	609,739
Services and supplies	833,370	467,672	362,803	104,869
Other charges	299,670	299,670	275,616	24,054
Expenditure transfer	179,981	256,729	427,020	(170,291)
Fixed assets	95,000	85,001	66,593	18,408
Total expenditures	11,390,085	11,092,643	10,505,864	586,779
Probation - Institutions				
Salaries and employee benefits	6,977,464	7,206,047	6,798,309	407,738
Services and supplies	996,865	768,282	630,052	138,230
Other charges	175,470	167,548	165,057	2,491
Expenditure transfer	389,210	397,132	397,132	
Fixed assets	75,000	75,000	58,114	16,886
Total expenditures	8,614,009	8,614,009	8,048,664	565,345
Public Defender				
Salaries and employee benefits	5,317,608	5,447,608	5,357,604	90,004
Services and supplies	308,000	208,000	175,724	32,276
Other charges	182,710	182,710	156,414	26,296
Expenditure transfer	335,300	335,300	306,103	29,197
Total expenditures	6,143,618	6,173,618	5,995,845	177,773
Indigent Defense				
Services and supplies	3,385,042	3,585,042	3,584,881	161
Total expenditures	3,385,042	3,585,042	3,584,881	161

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Sheriff's Administration				
Salaries and employee benefits	3,130,401	3,143,401	3,036,658	106,743
Services and supplies	796,280	564,918	536,837	28,081
Other charges	242,271	215,271	214,640	631
Expenditure transfer	180,850	124,962	112,545	12,417
Fixed assets	5,800	626,678	625,970	708
Total expenditures	4,355,602	4,675,230	4,526,650	148,580
Sheriff's Operations				
Salaries and employee benefits	22,285,174	23,393,233	21,917,583	1,475,650
Services and supplies	3,004,809	2,183,483	2,108,220	75,263
Other charges	4,105,637	3,973,399	3,570,887	402,512
Expenditure transfer	(371,852)	(396,852)	(398,558)	1,706
Fixed assets	298,618	712,750	466,374	246,376
Total expenditures	29,322,386	29,866,013	27,664,506	2,201,507
Sheriff's Detention				
Salaries and employee benefits	25,225,552	26,363,102	24,846,024	1,517,078
Services and supplies	4,093,655	3,573,655	3,155,518	418,137
Other charges	933,055	1,033,055	987,863	45,192
Expenditure transfer	2,388,828	2,268,828	2,257,126	11,702
Fixed assets	267,000	286,562	261,766	24,796
Total expenditures	32,908,090	33,525,202	31,508,297	2,016,905
Court Security				
Salaries and employee benefits	3,647,512	3,609,301	3,250,160	359,141
Services and supplies	16,000	16,000	11,044	4,956
Other charges	28,632	38,632	36,898	1,734
Expenditure transfer	91,340	81,340	77,612	3,728
Total expenditures	3,783,484	3,745,273	3,375,714	369,559
Sheriff's Contract Cities				
Salaries and employee benefits	7,198,557	7,198,557	6,663,727	534,830
Services and supplies	245,760	252,527	199,091	53,436
Other charges	1,497,586	1,474,058	1,284,816	189,242
Expenditure transfer		480	463	17
Fixed assets	26,260	42,541	204	42,337
Total expenditures	8,968,163	8,968,163	8,148,301	819,862
Grand Jury				
Salaries and employee benefits	46,167	46,167	40,357	5,810
Services and supplies	31,256	28,506	25,632	2,874
Other charges	6,160	5,510	3,370	2,140
Expenditure transfer	25,419	28,819	29,245	(426)
Total expenditures	109,002	109,002	98,604	10,398
CEO Ray Simon Training Center				
Salaries and employee benefits	939,841	717,041	510,496	206,545
Services and supplies	488,393	311,193	170,432	140,761
Other charges	28,488	33,688	33,350	338
Expenditure transfer	160,352	244,852	243,325	1,527
Fixed assets	26,000	27,600	27,552	48
Total expenditures	1,643,074	1,334,374	985,155	349,219

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Ways and Facilities				
Airport				
Services and supplies	205,000	205,000	205,000	
Total expenditures	205,000	205,000	205,000	
CEO Crows Landing Air Facility				
Services and supplies	1,108,809	1,108,809	277,273	831,536
Expenditure transfer			3,353	(3,353)
Total expenditures	1,108,809	1,108,809	280,626	828,183
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	7,348,648	7,348,648	7,059,514	289,134
Total expenditures	7,348,648	7,348,648	7,059,514	289,134
Expenditures: Public Assistance				
Veteran's Services				
Salaries and employee benefits	319,804	367,004	352,686	14,318
Services and supplies	32,710	18,366	15,750	2,616
Other charges	15,810	14,810	14,732	78
Expenditure transfer	13,090	13,590	13,510	80
Total expenditures	381,414	413,770	396,678	17,092
Board of Supervisors - Community Support				
Services and supplies	20,000	20,000	14,450	5,550
Total expenditures	20,000	20,000	14,450	5,550
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	274,262	291,037	262,458	28,579
Services and supplies	18,929	18,929	8,351	10,578
Other charges	36,420	36,420	24,850	11,570
Expenditure transfer	90,170	90,170	87,653	2,517
Total expenditures	419,781	436,556	383,312	53,244
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	1,976,906	2,262,111	2,199,228	62,883
Services and supplies	1,162,042	1,405,352	1,376,662	28,690
Other charges	702,210	914,313	878,398	35,915
Expenditure transfer	445,410	480,410	473,788	6,622
Fixed assets	234,396	242,896	(23,430)	266,326
Total expenditures	4,520,964	5,305,082	4,904,646	400,436

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2010

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Recreation and Cultural Services				
Parks - Master Plan				
Services and supplies	456,460	456,460	33,540	422,920
Total expenditures	456,460	456,460	33,540	422,920
Tuolumne River Regional Park				
Services and supplies	192,740	192,740	192,740	
Total expenditures	192,740	192,740	192,740	
Expenditures: Debt Service				
Debt Service				
Expenditure transfer	(669,341)	(669,341)	(669,341)	
Total expenditures	(669,341)	(669,341)	(669,341)	
Total Expenditures - General Fund	202,698,330	204,043,047	184,979,475	19,063,572
Excess of revenue over expenditures	25,730,951	13,694,850	27,382,107	13,687,257
Other financing sources (uses):				
Capital lease proceeds		951,918	951,918	
Transfers in	6,149,861	6,741,793	6,846,292	104,499
Transfers out	(52,346,062)	(51,912,010)	(55,708,284)	(3,796,274)
Sale of capital assets		1,500	10,718	9,218
Total other financing sources (uses)	(46,196,201)	(44,216,799)	(47,899,356)	(3,682,557)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(20,465,250)	(30,521,949)	(20,517,249)	10,004,700
Fund balance -- beginning	(74,708,333)	(90,418,869)	125,165,607	215,584,476
Fund balance -- ending	$ (95,173,583)	$ (120,940,818)	$ 104,648,358	$ 225,589,176

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Behavioral Health and Recovery - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2010

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Fines, forfeitures, and penalties	$ 60,000	$ 60,000	$ 84,401	$ 24,401
Revenue from use of money and property	701,755	701,755	569,230	(132,525)
Intergovernmental revenue	35,645,709	38,361,923	34,980,018	(3,381,905)
Charges for services	21,183,195	21,170,195	21,310,971	140,776
Miscellaneous revenue	493,979	493,979	481,020	(12,959)
Total revenues	58,084,638	60,787,852	57,425,640	(3,362,212)
Expenditures				
Public Prostection				
Salaries and employee benefits	667,398	667,398	644,495	22,903
Services and supplies	134,354	109,354	59,430	49,924
Other charges	152,315	177,315	174,679	2,636
Expenditure transfer	164,646	164,646	107,568	57,078
Total Public Protection	1,118,713	1,118,713	986,172	132,541
Health and Sanitation				
Salaries and employee benefits	32,299,383	33,576,678	30,047,070	3,529,608
Services and supplies	29,195,052	30,249,916	24,874,815	5,375,101
Other charges	4,124,361	4,689,189	4,142,007	547,182
Fixed assets	25,300	161,112	161,112	
Expenditure transfer	(171,579)	(171,579)	(107,568)	(64,011)
Total Health and Sanitation	65,472,517	68,505,316	59,117,436	9,387,880
Total expenditures	66,591,230	69,624,029	60,103,608	9,520,421
Excess (deficiency) of revenues over (under) expenditures	(8,506,592)	(8,836,177)	(2,677,968)	6,158,209
Other financing sources (uses)				
Transfers in	7,888,913	8,141,068	7,599,486	(541,582)
Transfers out	(13,892)	(263,892)	(854,920)	(591,028)
Sale of capital assets			2,471	2,471
Capital lease proceeds		135,812	135,812	
Total other financing sources (uses)	7,875,021	8,012,988	6,882,849	(1,130,139)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(631,571)	(823,189)	4,204,881	5,028,070
Fund balance - beginning	16,239,214	16,239,214	16,239,214	
Fund balance - ending	$ 15,607,643	$ 15,416,025	$ 20,444,095	$ 5,028,070

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Community Services Agency - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2010

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Licenses,permits and franchises	$ 78,653	$ 78,653	$ 73,571	$ (5,082)
Revenue from use of money and property			1,358	1,358
Intergovernmental revenue	254,743,534	210,088,825	189,340,929	(20,747,896)
Charges for services	1,397,572	1,292,997	1,452,100	159,103
Miscellaneous revenue	773,710	713,238	528,527	(184,711)
Total revenues	256,993,469	212,173,713	191,396,485	(20,777,228)
Expenditures				
Public Assistance				
Salaries and employee benefits	66,179,849	67,380,856	60,861,090	6,519,766
Services and supplies	19,567,234	21,259,952	15,346,937	5,913,015
Other charges	180,298,808	130,510,932	118,493,834	12,017,098
Fixed assets		146,963	144,905	2,058
Total expenditures	266,045,891	219,298,703	194,846,766	24,451,937
Excess (deficiency) of revenues over (under) expenditures	(9,052,422)	(7,124,990)	(3,450,281)	3,674,709
Other financing sources (uses)				
Transfers in	9,704,011	6,441,045	5,807,268	(633,777)
Transfers out	(1,333,367)	(1,458,740)	(2,877,418)	(1,418,678)
Sale of capital assets			1,603	1,603
Capital lease proceeds		136,963	136,963	
Total other financing sources (uses)	8,370,644	5,119,268	3,068,416	(2,050,852)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(681,778)	(2,005,722)	(381,865)	1,623,857
Fund balance - beginning	1,103,729	1,103,729	1,103,729	
Fund balance - ending	$ 421,951	$ (901,993)	$ 721,864	$ 1,623,857

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:						
Current Assets:						
Cash and investments	$ 7,108,297	$ 612,065	$ 4,418	$ 3,006,160	$ 10,730,940	$ 37,517,378
Accounts receivable, net	601,750		18,983,622	791,658	20,377,030	194,630
Interest and other receivables	82,107	10,160		8,995	101,262	101,290
Inventory			193,329	22,872	216,201	206,544
Deposit with others						525,000
Due from other funds			28,675		28,675	
Prepaid items			199,364		199,364	15,296
Total current assets	7,792,154	622,225	19,409,408	3,829,685	31,653,472	38,560,138
Noncurrent assets:						
Deferred charges						
Investments with fiscal agent	102,421		160,368		262,789	
Restricted cash and investments	17,795,932	2,837,432			20,633,364	
Capital assets:						
Land and right of ways	13,556,621	1,906,261			15,462,882	
Intangible assets						2,704,597
Structures and improvements	3,785,755		12,358,747	284,824	16,429,326	1,002,508
Equipment	3,270,349		5,852,434	4,915,320	14,038,103	22,696,631
Less: Accumulated depreciation and amortization	(2,825,800)		(15,338,380)	(1,869,554)	(20,033,734)	(16,666,429)
Net capital assets	17,786,925	1,906,261	2,872,801	3,330,590	25,896,577	9,737,307
Total noncurrent assets	35,685,278	4,743,693	3,033,169	3,330,590	46,792,730	9,737,307
Total assets	$ 43,477,432	$ 5,365,918	$ 22,442,577	$ 7,160,275	$ 78,446,202	$ 48,297,445
LIABILITIES:						
Current liabilities:						
Accounts payable	$ 602,829	$ 56,937	$ 2,487,320	$ 284,177	$ 3,431,263	$ 1,581,605
Salaries and benefits payable	30,247		658,837	26,665	715,749	130,229
Deferred revenues			99,912		99,912	
Due to other funds			3,908,326		3,908,326	
Deposits from others	28,617				28,617	
Interfund note payable - current			1,266,130		1,266,130	
Risk management liability - current						7,834,269
Capital leases - current			305,091	6,080	311,171	3,869
Compensated absences - current	9,777		98,835	5,492	114,104	30,703
Long-term obligations - current			183,360		183,360	
Total current liabilities	671,470	56,937	9,007,811	322,414	10,058,632	9,580,675
Noncurrent liabilities						
Estimated cost of landfill closure/postclosure	7,032,461	6,533,958			13,566,419	
Interfund note payable			23,463,396		23,463,396	
Risk management liability						18,603,339
Capital leases payable			663,282	7,569	670,851	10,434
Other post-employment benefits (OPEB)	25,683		223,883	13,198	262,764	79,426
Compensated absences	85,892		1,084,434	49,427	1,219,753	646,718
Long term obligations			194,056		194,056	
Total noncurrent liabilities	7,144,036	6,533,958	25,629,051	70,194	39,377,239	19,339,917
Total liabilities	7,815,506	6,590,895	34,636,862	392,608	49,435,871	28,920,592
NET ASSETS (DEFICIT):						
Invested in capital assets, net of related debt	17,786,925	1,906,261	1,527,013	3,316,941	24,537,140	9,723,004
Restricted	17,852,647	2,845,046			20,697,693	
Unrestricted	22,354	(5,976,284)	(13,721,298)	3,450,726	(16,224,502)	9,653,849
Total net assets (deficit)	$ 35,661,926	(1,224,977)	(12,194,285)	6,767,667	29,010,331	19,376,853
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,484,994	
Net assets of business type activities					$ 30,495,325	

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	$ 4,220,903	$	$ 43,674,862	$ 1,726,324	$ 49,622,089	$ 70,985,954
Total operating revenues	4,220,903		43,674,862	1,726,324	49,622,089	70,985,954
Operating expenses:						
Salaries and benefits	1,239,089		19,743,029	1,071,485	22,053,603	4,958,376
Services and supplies	6,110,335		25,291,956	4,080,501	35,482,792	71,751,116
Depreciation and amortization	361,105		648,678	452,514	1,462,297	1,552,099
Estimated cost of closure/postclosure	889,967				889,967	
Total operating expenses	8,600,496		45,683,663	5,604,500	59,888,659	78,261,591
Operating income (loss)	(4,379,593)		(2,008,801)	(3,878,176)	(10,266,570)	(7,275,637)
Nonoperating revenues (expenses)						
Investment income	369,787	41,125	(101,387)	31,318	340,843	298,174
Interest expense			(506,191)		(506,191)	(1,042)
Gain (loss) on sale of capital assets	1,185		(897)		288	93,508
Intergovernmental			423,193	3,563,214	3,986,407	20,938
Total nonoperating revenues (expenses)	370,972	41,125	(185,282)	3,594,532	3,821,347	411,578
Income (loss) before capital contributions and transfers	(4,008,621)	41,125	(2,194,083)	(283,644)	(6,445,223)	(6,864,059)
Transfers in		450,000	5,703,348		6,153,348	6,737
Transfers out	(479,604)		(390,637)	(32,243)	(902,484)	(1,357,432)
Changes in net assets	(4,488,225)	491,125	3,118,628	(315,887)	(1,194,359)	(8,214,754)
Total net assets (deficit) - beginning	40,150,151	(1,716,102)	(15,312,913)	7,083,554		25,244,979
Cumulative effect of change in accounting principle						2,346,628
beginning - restated	40,150,151	(1,716,102)	(15,312,913)	7,083,554		27,591,607
Total net assets (deficit) - ending	$ 35,661,926	$ (1,224,977)	$ (12,194,285)	$ 6,767,667		$ 19,376,853

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	267,622
Change in net assets of business type activities	$ (926,737)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers and users	$ 4,079,807	$	$ 29,151,419	$ 2,371,465	$ 35,602,691	$
Cash received (paid) from interfund services		(8,915)	6,510,843		6,501,928	71,226,675
Cash paid to suppliers	(5,737,980)	(670,798)	(20,222,769)	(4,149,896)	(30,781,443)	(67,429,502)
Cash paid to employees	(1,340,067)		(20,061,859)	(1,096,379)	(22,498,305)	(5,051,787)
Net cash provided (used) by operating activities	(2,998,240)	(679,713)	(4,622,366)	(2,874,810)	(11,175,129)	(1,254,614)
Cash flows from noncapital financing activities:						
Transfers in		450,000	5,703,348		6,153,348	6,737
Payment on interfund note payable			(1,594,249)		(1,594,249)	
Deferred revenues			(523,831)		(523,831)	
Subsidy from state and federal grant			423,193	3,563,214	3,986,407	20,938
Transfers out	(479,604)		(390,637)	(32,243)	(902,484)	(1,357,432)
Net cash provided (used) by noncapital financing activities	(479,604)	450,000	3,617,824	3,530,971	7,119,191	(1,329,757)
Cash flows from capital and related financing activities:						
Sale of capital assets	(1,197,991)				(1,197,991)106	,819
Purchase of capital assets			(180,869)	(20,881)	(201,750)	(1,162,450)
Loss on disposal of capital assets			(896)			
Principal payment - capital leases			(288,657)			(3,629)
Principal payment - long term debt			(175,720)		(175,720)	
Interest income			(101,389)		(101,389)	
Interest paid			(506,191)		(506,191)	(1,042)
Net cash (used) by capital and related financing activities	(1,197,991)		(1,253,722)	(20,881)	(2,183,041)	(1,060,302)
Cash flows from investing activities:						
Interest received	369,792	41,127		31,319	442,238	298,174
Net cash provided by investing activities	369,792	41,127		31,319	442,238	298,174
Net increase (decrease) in cash and cash equivalents	(4,306,043)	(188,586)	(2,258,264)	666,599	(6,086,294)	(3,346,499)
Cash and equivalents - beginning	29,210,272	3,638,083	2,423,050	2,339,561	37,610,966	40,863,875
Cash and equivalents - ending	$ 24,904,229	$ 3,449,497	$ 164,786	$ 3,006,160	$ 31,524,672	$ 37,517,376
Reconciliation of cash and cash equivalents to the Statement of Net Assets						
Cash and investments	$ 7,108,297	$ 612,065	$4,418	$ 3,006,160	$ 10,730,940	$ 37,517,376
Restricted cash and investments	17,795,932	2,837,432	160,368		20,793,732	
Total cash and cash equivalents	$ 24,904,229	$ 3,449,497	$ 164,786	$ 3,006,160	$ 31,524,672	$ 37,517,376

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ (4,379,593)	$	$ (2,008,801)	$ (3,878,176)	$ (10,266,570)	$ (7,275,636)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	361,105		648,678	452,514	1,462,297	1,552,098
(Increase) decrease in accounts receivable	(89,612)		(5,770,858)	650,483	(5,209,987)	196,811
(Increase) decrease in other receivables	(51,484)	(8,915)	(721,431)	(1,010)	(782,840)	(12,412)
(Increase) decrease in inventory			1,982	(4,332)	(2,350)	46,025
(Increase) decrease in prepaid items			(142,000)		(142,000)	10,297
(Increase) decrease in due from other funds			3,694		3,694	
Increase (decrease) in accounts payable and accrued liabilities	372,355	(80,152)	(129,683)	(69,395)	93,125	514,664
Increase (decrease) in salaries and benefits payable	(40,996)		(437,774)	(33,912)	(512,682)	(156,489)
Increase (decrease) in liability for compensated absences	(68,243)		54,364	3,505	(10,374)	36,323
Increase (decrease) in other post-employment benefits(OPEB)	8,261		64,581	5,513	78,355	26,755
Increase (decrease) in due to other funds/goverments			3,814,882		3,814,882	
Increase (decrease) in estimated cost of closure/postclosure	889,967	(590,646)			299,321	
Increase (decrease) in risk management liability						3,806,950
Net cash provided (used) by operating activities	$ (2,998,240)	$ (679,713)	$ (4,622,366)	$ (2,874,810)	$ (11,175,129)	$ (1,254,614)

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Employees' Retirement Trust	Investment Trust	Agency Funds	Total
ASSETS				
Cash and investments	$ 47,033,733	$ 695,067,004	$ 5,160,122	$ 747,260,859
Accounts receivable (net of allowance for uncollectables)		9,989,110		9,989,110
Interest and dividends	6,632,608			6,632,608
Securities transactions	35,100,676			35,100,676
Contributions	1,346,604			1,346,604
Other receivable	2,983	2,188,023	50	2,191,056
Interfund note receivable		24,729,526		24,729,526
Other assets	3,924,345	3,838,951		7,763,296
Investments:				
Bonds	430,777,936			430,777,936
Stocks	725,757,057			725,757,057
Collateral on loaned securities	72,148,237			72,148,237
Total assets	1,322,724,179	735,812,614	5,160,172	2,063,696,965
LIABILITIES				
Accounts payable	132,094,782	22,213,014	356,076	154,663,872
Salaries and benefits payable		(3,790,689)		(3,790,689)
Grant deed extension fee	410,000			410,000
Trust obligations		10,431,726	4,804,096	15,235,822
Deferred revenue		1,260,559		1,260,559
Total liabilites	132,504,782	30,114,610	5,160,172	167,779,564
NET ASSETS				
Net assets held in trust for pension benefits/investment pool participants	$ 1,190,219,397	$ 705,698,004	$	$ 1,895,917,401

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Employees' Retirement Trust	Investment Trust
Additions:		
Contributions:		
Employer contributions	$ 21,814,194	$
Member contributions	20,746,411	
Contributions on pooled investments		2,966,374,884
Total contributions	42,560,605	2,966,374,884
Investment income:		
Net appreciation in fair value	135,591,099	
Interest	33,239,016	8,042,770
Dividends	368,167	
Miscellaneous income	691,505	
Less investment expense	(4,835,943)	
Net investment loss	165,053,844	8,042,770
Total additions	207,614,449	2,974,417,654
Deductions:		
Benefit payments	71,464,735	
Refunds of prior contributions	1,731,971	
Distributions from pooled investments		2,913,712,459
Administrative expense	2,307,436	
Total deductions	75,504,142	2,913,712,459
Change in net assets	132,110,307	60,705,195
Net assets held in trust - beginning	1,058,109,090	644,992,809
Net assets held in trust - ending	$ 1,190,219,397	$ 705,698,004

The accompanying notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the government and its component units, legally separate entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30th year-end.

Blended Component Units

1. Re development Agency of the County of Stanislaus ("Agency"): The Agency was established by the County as a separate legal entity in accordance with state law. It is governed by the five members of the County Board of Supervisors. The purpose of the Agency is to acquire, rehabilitate, and revitalize property within legally designated redevelopment areas. The Agency provides service solely to the County and is reported as a capital projects fund.

2. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.

3. Lighting Districts: The County has 27 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budget and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.

4. Sta nislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern it. Its purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

California County Tobacco Securitization Agency (See Note 17). The Corporation provides service solely to the County and is reported as a debt service fund.

5.I n-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. It is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.

B. **Basis of Presentation**

Government-Wide Financial Statements
The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net assets, all internal balances have been eliminated except those representing the net balance due between governmental and business type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation services.

- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.

- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- *Public Facility Fees* were established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.

- The *Geer Road Sanitary Landfill Fund* was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid waste. The landfill was closed in July 1990 and is jointly owned with the City of Modesto.

- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's central services, fleet maintenance, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – worker's compensation, unemployment, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

- The *Employees' Retirement Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees Retirement Association (StanCERA).

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.

C. **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. **Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital project funds for the life of the project, except for the Redevelopment Agency, the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees Capital project fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

levels within the same budget unit may be authorized by the County Executive Office. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as "expenditure transfers". This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

		Special Revenue Funds	
	General Fund	Behavioral Health and Recovery	Community Services Agency
Total expenditures (budgetary basis)	$ 184,979,475	$ 60,103,608	$ 194,846,766
Basis difference - net addition of 2008-2009 encumbrances and commitments minus 2009-2010 encumbrances and commitments	(3,723,218)	(97,068)	200,640
Total Expenditures (GAAP)	$ 181,256,257	$ 60,006,540	$ 195,047,406

E. **Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as "Investments with Fiscal Agent" represent loan proceeds held by the trustees for various borrowings (See Note 12) and securitized tobacco settlement proceeds invested outside the County Pool.

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Cash and Cash Equivalents** (continued)

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisors on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

G. **Deferred Revenue**

The County reports deferred revenue on its financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

Note 1: **Summary of Significant Accounting Policies** (continued)

H. **Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource (See Note 14).

I. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost equal to or greater than $5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost equal to or greater than $1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill Cell	1,960,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Intangible Assets**

On July 13, 2010, the Board approved $50,000 capitalization threshold for intangible assets.

GASB Statement No. 51 was issued in June of 2007. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting among state and local governments. County financial statements must comply with all statements issued by the Government Accounting Standards Board.

This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. As such, existing accounting and financial reporting requirements are to be applied to intangible assets. Capital assets are expensed over their useful life rather than being charged in the specific financial period in which they are purchased.

The existing fixed asset policy for Stanislaus County was updated to include intangible assets. Currently, the capitalization threshold for other fixed assets is $5,000 or greater. The threshold amount represents the minimum amount at which an asset should be capitalized.

GASB Statement No. 51 does not specifically identify a methodology for establishing a threshold amount. A survey of other California counties was performed which indicated a wide variation, depending on the size of the County, in the threshold amounts being implemented. Given the County's relative size and exposure, a $50,000 threshold is considered to be a reasonable amount.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

As of June 30, 2010, the capitalized amount of internally generated intangible assets (IGIA) is $2,704,597. A cumulative effect of change in accounting principles in the amount of $2,346,628 is recorded in fiscal year 2009-2010 to recognize capitalization of prior years' development costs. The current year development costs have been capitalized in the amount of $357,969 and are included in the Intangible Assets – Software for the Proprietary funds balance sheet.

The County does not record expenses associated with easements. Consequently, no retro or current year adjustment has been made for financial reporting of this intangible asset. The easements are reported in the Statement of Net Assets under "Land and Right of Ways".

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Intangible Assets** (continued)

Water rights is considered a form of intangible assets. As of June 30, 2010, the County does not have any significant water rights to report.

L. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A 10-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

M. **Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available financial resources.

Services or supplies provided can result, at year-end, in receivables and payables referred to as "due to/from other funds." These receivables and payables are eliminated

Note 1: **Summary of Significant Accounting Policies** (continued)

M. **Interfund Transactions** (continued)

in the governmental-wide consolidation with residual balances reported as "internal balances" when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

N. **Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

For fiscal year-ending June 30, 2010, the County implemented GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets.* GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments* was effective for financial statements beginning after June 15, 2009. For fiscal year-ending June 30, 2010, the County did not participate in investments involving derivative instruments.

Note 2: **Cumulative Effect of Change in Accounting Principle**

As a result of GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*, the Cumulative Effect of Change in Accounting Principle was $2,346,628. The retro-active adjustment is related to the development costs associated with the on-going Integrated County Justice Information System (ICJIS) project.

Note 3: **Individual Fund Deficits**

Deficit Fund balances – Government Fund Type

Special Revenue Fund – Employment and Training	$ (38,295)

The Employment and Training deficit is due to a timing difference between expenditures and State reimbursement.

Note 3: **Individual Fund Deficits** (continued)

Net Asset Deficits - Proprietary Funds

Enterprise fund - Geer Road Landfill	$ (1,224,977)
Enterprise fund - Health Clinics & Ancillary Services	(12,194,285)
Internal Service fund - General Liability Insurance	(2,186,275)

The deficit in the Geer Road Landfill is due to a liability for closure/postclosure maintenance. This accumulated deficit will be funded with receipts from Fink Road Landfill. The Health Clinics and Ancillary Services Fund deficit is due to a closure of the County hospital inpatient facilities in November 1997 and the rising cost of health care. The plan to recover this deficit focuses on transfers from other funds, increased fees for service, and increased reimbursement from the Federal government as a Federally Qualified Health Center Look-Alike.

The General Liability Insurance deficit is due to unexpected expenses in combination with user rates that were too low. This deficit will be funded by increased user charges.

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ending June 30, 2010, expenditures did not exceed budget at the department and object level.

Note 5: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net assets/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of their cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

Note 5: **Cash and Investments** (continued)

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53600 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	$ 148,651
Cash in banks-department administered	3,357,887
In custody of Treasurer:	
Cash on hand	199,015
Cash in bank	19,204,384
Investments held by Treasurer	1,081,971,469
Less outstanding checks	(44,017,689)
Total in custody of Treasurer	1,057,357,179
Investments held by fiscal agents:	
Tobacco settlement	92,505,506
Tobacco funding corporation	4,754,160
General fund	-
Stock investment	102,421
Bond requirements	7,645,139
Total investments held by agents	105,007,226
Employees' retirement trust:	
Cash (outside Treasurer's pool)	35,307,574
Investments	1,228,683,230
Total cash and investments	$ 2,429,861,747

Note 5: **Cash and Investments** (continued)

Primary government	
Cash and investments	$ 324,107,408
Investments with fiscal agent	105,007,226
Restricted cash & investments	24,803,024
Employees' retirement trust	
Cash and investments	47,033,733
Other investments	1,228,683,230
Investment trust - cash and investments	695,067,004
Agency funds - cash and investments	5,160,122
Total cash and investments	$ 2,429,861,747

Interest Rate Risk - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's $1.0 billion portfolio, over 64% of the investments have a maturity of one year or less. No investment has maturity greater than four years.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 25 years that are sensitive to interest rate changes. These bonds are all insured, which tends to reduce interest rate risk.

- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Barclay Aggregate bond index duration. At year end the Barclay Aggregate Bond Index was yielding 2.83% with an effective duration of 4.30 years. StanCERA had a yield of 3.69% with an effective duration of 4.01 years.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

Note 5: **Cash and Investments** (continued)

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured, triple A rated Municipal bonds that make up 47% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as BBB rated or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2010.

Credit Rating	Active Management	Fixed Income Securties Amount
AAA	42.65%	$ 183,728,651
AA-	1.64%	7,060,559
A+	1.83%	7,867,627
A	1.57%	6,750,463
A-	6.29%	27,098,190
BAA+	4.41%	18,984,573
BAA	0.52%	2,243,894
BAA-	0.84%	3,631,182
BBB+	0.33%	1,417,749
BBB	4.03%	17,377,154
BBB-	9.27%	39,943,834
BB+	3.37%	14,532,034
BB	0.82%	3,536,000
BB-	0.56%	2,425,000
B+	2.96%	12,733,327
B	0.24%	1,013,610
B-	1.96%	8,443,524
CCC+	1.57%	6,774,250
C	0.00%	358
N/A	15.14%	65,215,957
	100.00%	$ 430,777,936

Custodial Credit Risk-deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

Note 5: **Cash and Investments** (continued)

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), our depository banks, i.e., Bank of the West, Union Bank of California, and US Bank collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.

- *StanCERA's Investment Portfolio.* At year end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

Custodial Credit Risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.

- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

  As of June 30, 2010, StanCERA had securities on loan with a carrying value of $72,148,237 and cash collateral of $78,152,870, with non-cash collateral of $1,752,946. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

Note 5: **Cash and Investments** (continued)

Foreign Currency Risk – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

  The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2010 was $228,197,324, distributed as follows:

Foreign Currency

Currency	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*
Australian Dollar	$ 11,494,976	New Turkish Lira	$ 845,634
British Pound Sterling	32,147,808	Norwegian Krone	1,932,466
Canadian Dollar	18,291,290	Singapore Dollar	717,621
Danish Krone	1,354,428	South African Rand	2,109,097
Euro Currency	51,567,371	South Korean Won	6,108,612
Hong Kong Dollar	7,843,113	Swedish Krona	2,076,640
Japanese Yen	37,023,881	Swiss Franc	12,633,959
Mexican Nuevo Peso	503,490	US Dollar	37,470,953
New Taiwan Dollar	3,975,985		

Concentration of Credit Risk - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 65% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

Federal Home Loan Bank	*15.86%*
US Treasury Securities	*18.19%*
Federal National Mortgage Association	*14.93%*
Federal Farm Credit Bank	*9.97%*

  Of the 35% of the portfolio invested in other types of investments, the following investments exceed 5%.

Bank of America	*12.13%*
UBS Finance	*6.53%*

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipals bonds that comprise 79% of the portfolio.

Note 5: **Cash and Investments** (continued)

- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, may be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the Retirement Association's consultant, without special permission from the StanCERA Board.

  With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

  At June 30, 2010, StanCERA had the following investments:

Fixed Income Securities	
U S Treasuries	$ 65,215,957
Single Family Mortgage Backed Securities	147,772,763
Multi Family Mortgage Backed Securities	8,378,600
Collateralized Mortgage Backed Securities	14,598,887
Federal Agency	22,962,603
Asset Backed	2,068,358
Corporate Bonds	168,601,149
Municiapal Bonds	1,179,619
	$ 430,777,936
Equities	
Domestic	$ 328,963,392
International	242,760,921
Mutual Funds	154,032,744
	$ 725,757,057
Collateral on Loaned Securities	$ 72,148,237
Total Investments	$ 1,228,683,230

Note 5: **Cash and Investments** (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2010. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Investments
Maturity Distribution - Fair Value (000's)
6/30/2010

		Maturity								
	Credit Rating	≤ 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	Total
Bankers Acceptance	A	14,998	14,996	39,973	19,978					89,944
Bankers Acceptance	A-1		19,993							19,993
Managed Funds - LAIF	Unrated	50,000								50,000
FFCB Coupon	AAA	25,031			50,735		25,969		7,181	108,916
FHLB Coupon	AAA							65,985	56,956	122,941
FHLM Coupon	AAA			25,263						25,263
FNMA Coupon	AAA			25,266			20,125			45,391
FRED Coupon	AAA								20,707	20,707
FHLB Discount	AAA		9,998	39,985						49,984
FNMA Discount	AAA		19,995		74,930	19,937				114,862
FRED Discount	AAA					24,937				24,937
TVA Discount	AAA					9,975				9,975
Treasury Coupon Securities	AAA	25,053				39,999	75,732	25,346		166,129
Treasury Discount Securities	AAA					29,943				29,943
Overnight Repo	AAA	50,000								50,000
Term Repo	AAA	20,000								20,000
Medium Term Notes	AAA				20,020	20,122	51,667	41,179		132,988
Total Treasury Pool Investments		185,082	64,982	130,486	165,662	144,913	173,493	132,510	84,845	1,081,971
Money Market Funds	Unrated	35								35
FNMA Note	Unrated				4,719					4,719
Total Tobacco Funding Corp Investments		35	0	0	4,719	0	0	0	0	4,754

		Maturity								
	Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years	Total
Money Market Funds	Unrated	25,491								25,491
Mutual Funds	Unrated	21,256								21,256
Muncipal Bonds - Insured	AAA		0	1,216	0	5,454	17,233	9,514	10,606	44,023
Muncipal Bonds - Insured	Aaa							1,736		1,736
Total Tobacco Settlement Investments		46,747	0	1,216	0	5,454	17,233	11,250	10,606	92,506
Money Market/Mutual Funds	Unrated	1,797								1,797
Investment Agreements	Unrated				4,056	1,792				5,848
Total Bond Requirements		1,797	0	0	4,056	1,792	0	0	0	7,645

In accordance with GASB No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 90 days to maturity in the following categories:

U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Corporate Bonds and Notes

Note 5: **Cash and Investments** (continued)

Amortized cost was used for all investments having 90 days or less to maturity, which may include the following categories:

Commercial Paper
State of California Local Agency Investment Fund
U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Repurchase Agreements
Corporate Bonds and Notes
Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

During the fiscal year the County Treasurer's Pool included investments in negotiable Certificates of Deposit as well a those investments owned at June 30, 2010.

The Stanislaus County Treasurer's Pool maintains some investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2010 was $23.2 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2010 was $69.4 billion. No amount was invested in any derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 203 days as of June 30, 2010.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar for dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

Note 5: **Cash and Investments** (continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2010:

Statement of Net Assets	
Net assets held for pool participants	$ 1,057,357,179
Equity of external pool participants	$ 711,953,285
Equity of internal pool participants	345,403,993
Total Equity	$ 1,057,357,179
Statement of Changes in Net Assets	
Net assets at July 1, 2009	$ 1,008,568,560
Net investment income	21,168,644
Net contributions and withdrawls	27,620,074
Net assets at July 1, 2010	$ 1,057,357,179

Stanislaus County Treasurer's Pool
Summary of Investments
6/30/2010
(dollar amounts in thousands)

	Fair ValueDo	llar Cost	Interest Rate Range		Maturity Range	
Bankers Acceptances	$ 109,937	$ 109,863	0.45%	0.65%	07/29/10	10/05/10
Managed Funds - LAIF	50,000	50,000	0.53%	0.53%	07/01/10	07/01/10
Federal Agency Coupon Securities	323,218	318,408	0.49%	2.95%	07/15/10	04/23/14
Federal Agency Discount Securities	199,758	199,647	0.06%	0.89%	08/04/10	03/21/11
Treasury Coupon Securities	166,129	165,578	0.47%	2.32%	07/31/10	09/15/12
Treasury Discount Securities	29,943	29,931	0.20%	0.23%	01/13/11	03/10/11
Repurchase Agreements - Rolling	50,000	50,000	0.01%	0.01%	07/01/10	07/01/10
Repurchase Agreements - Term	20,000	20,000	0.15%	0.15%	07/07/10	07/07/10
Medium Term Notes	132,988	130,472	0.40%	0.97%	12/23/10	12/26/12
Total	$ 1,081,971	$ 1,073,899				

Note 6: Interfund Transactions

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2010 are as follows:

Due To/From Other Funds

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 2,168,646	To cover deficit cash balance
General Fund	Health Clinics and Ancillary Services	3,706,035	To cover deficit cash balance
		5,874,681	Sub total
Behavioral Health & Recovery	General Fund	302,249	State realignment
Community Services Agency	General Fund	32,566	State realignment
Community Services Agency	Other Governmental Funds	793,294	To cover deficit cash balance
Other Governmental Funds	General Fund	707,207	State realignment
Other Governmental Funds	Health Clinics and Ancillary Services	202,291	For services provided
Health Clinics and Ancillary Services	General Fund	28,408	State realignment
Health Clinics and Ancillary Services	Other Governmental Funds	267	For services provided
		2,066,282	Sub total
		$ 7,940,963	Total

Advances To/From

Receivable Fund	Payable Fund			
General Fund	Other Governmental Funds	$	500,000	Long term loan
		$	500,000	

The General Fund has loaned the Redevelopment Agency $400,000 for administrative costs that will be recovered through property taxes. The General Fund has loaned the Public Works department $100,000 for dangerous building abatement.

Interfund Note payable/receivable

Receivable Fund	Payable Fund		
Investment Trust Fund	Health Clinics and Ancillary Services	$	24,729,526

In fiscal year 2003-2004 the Health Clinics and Ancillary Services Fund borrowed monies from the Investment Trust Fund. The balance on the note as of June 30, 2010 is $14,854,227 and the note is expected to be repaid, with interest, by July 2020. The interest will be credited each fiscal year end based on the Treasurer's pool rate. Annual transfers from the County's General Fund to the Health Services Agency will be the source of funds to retire the note.

Note 6: **Interfund Transactions** (continued)

The Health Clinics and Ancillary Services Fund borrowed a second long-term loan from the Investment Trust Fund. The second note was established in fiscal year 2008-2009 to cover repayment of the Graduate Medical Education (GME) Federal funding. As of June 30, 2010, the balance on the note is $9,875,299. The note is also funding the County's share of Residency Program costs for fiscal years 2008-2009 and 2009-2010. The note is expected to be repaid with interest by July 2026.

Based on the Treasurer's Pool rate, interest will be credited at the end of each fiscal for both notes. The notes will be retired through annual transfers from the County's General Fund.

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	5,807,268	County progrm contributions
	Behavioral Health and Recovery	7,564,312	County progrm contributions
	Other Governmental Funds	36,257,627	County progrm contributions and debt service
	Health Clinics and Ancillary Services	5,336,423	County program contribution
		54,965,630	
Tobacco Settlement	General Fund	2,889,528	Interest distribution
		2,889,528	
Behavioral Health and Recovery	Other Governmental Funds	854,920	To pay debt service
		854,920	
Community Services Agency	Other Governmental Funds	1,678,448	To pay debt service
	Public Authority	787,460	Contributions to joint programs
		2,465,908	
Public Facility Fees	General Fund	2,651,082	Capital assets purchases
	Other Governmental Funds	1,847,048	Capital assets purchases
		4,498,130	
Other Governmental Funds	General Fund	1,011,240	Various contributions to programs
	Other Governmental Funds	3,840,052	Various contributions to programs and debt service
	Health Clinics and Ancillary Services	2,285	Various contributions to programs
	Public Facility Fees	719,671	Return of contributions
		5,573,248	
Health Clinics and Ancillary Services	Other Governmental Funds	390,637	To pay debt service
		390,637	
Other Enterprise Funds	Other Governmental Funds	32,243	To pay debt service
		32,243	
Fink Landfill	Other Governmental Funds	29,604	To pay debt service
	Geer Landfill	450,000	Landfill closure/post-closure
		479,604	
Internal Service Funds	General Fund	229,500	Insurance reimbursment
	Behavioral Health and Recovery	35,174	Insurance reimbursment
	Other Governmental Funds	721,381	Cost of medical malpractice insurance and debt service
	Health Clinics and Ancillary Services	364,640	Cost of medical malpractice insurance
	Internal Service Funds	6,737	Insurance reimbursment for Fleet vehicle
		1,357,432	
		73,507,280	

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2010
Governmental Activities					
Capital assets, not being depreciated:					
Land and Right of Ways	$ 40,271,818	$ 155,870	$ -	$ -	$ 40,427,688
Construction in progress - Intangible Assets	-	3,308,247	-	-	3,308,247
Construction in progress	4,057,865	3,195,137	-	(1,210,872)	6,042,130
Total capital assets, not being depreciated	44,329,683	6,659,254	-	(1,210,872)	49,778,065
Capital assets, being depreciated:					
Infrastructure	836,107,675	513,626	(22,846,012)	-	813,775,289
Structures and improvements	209,246,892	129,396	(8,150,214)	14,773	201,240,847
Equipment	89,831,092	6,167,843	(3,131,263)	1,341,737	94,209,409
Total capital assets, being depreciated	1,135,185,659	6,810,865	(34,127,489)	1,356,510	1,109,225,545
Less accumulated depreciation for:					
Infrastructure	(561,135,526)	(24,456,331)	22,846,012	-	(562,745,845)
Structures and improvements	(62,414,830)	(5,683,827)	4,797,777	439	(63,300,441)
Equipment	(46,738,494)	(7,876,044)	2,860,016	15,018	(51,739,504)
Total accumulated depreciation	(670,288,850)	(38,016,202)	30,503,805	15,457	(677,785,790)
Total capital assets, being depreciated, net	464,896,809	(31,205,337)	(3,623,684)	1,371,967	431,439,755
Government activities capital assets, net	$ 509,226,492	$ (24,546,083)	$ (3,623,684)	$ 161,095	$ 481,217,820
Business-type Activities					
Capital assets, not being depreciated:					
Land and Right of Ways	$ 15,462,882	$ -	$ -	$ -	$ 15,462,882
Construction in progress	79,441	-	-	(11,348)	68,093
Total capital assets, not being depreciated	15,542,323	-	-	(11,348)	15,530,975
Capital assets, being depreciated:					
Structures and improvements	16,361,232	-	-	1	16,361,233
Equipment	13,441,340	1,385,478	(783,933)	(4,783)	14,038,102
Total capital assets, being depreciated	29,802,572	1,385,478	(783,933)	(4,782)	30,399,335
Less accumulated depreciation for:					
Structures and improvements	(12,292,904)	(364,915)	-	(1)	(12,657,820)
Equipment	(7,055,538)	(1,097,381)	774,754	2,252	(7,375,913)
Total accumulated depreciation	(19,348,442)	(1,462,296)	774,754	2,251	(20,033,733)
Total capital assets, being depreciated, net	10,454,130	(76,818)	(9,179)	(2,531)	10,365,602
Business-type activities capital assets, net	$ 25,996,453	$ (76,818)	$ (9,179)	$ (13,879)	$ 25,896,577

Note 7: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	Equipment	Structures and Improvements	Infrastructure	Total
General government	$ 542,179	$ 1,655,332	$ -	$ 2,197,511
Public protection	3,195,452	2,440,688	-	5,636,140
Public ways	2,690	51,563	24,456,331	24,510,584
Health and sanitation	327,834	139,823	-	467,657
Public assistance	276,735	649,927	-	926,662
Education	1,895,832	207,048	-	2,102,880
Recreation	108,579	514,090	-	622,669
Internal service funds	1,526,743	25,356	-	1,552,099
Total	$ 7,876,044	$ 5,683,827	$ 24,456,331	$ 38,016,202

Depreciation expense was charged to the business-type functions as follows:

	Equipment	Structures and Improvements	Total
Transit	$ 428,430	$ -	$ 428,430
Fink Road Landfill	139,052	222,052	361,104
Health Clinics and Ancillary Services	512,802	135,876	648,678
Inmate Welfare/Commissary	17,097	6,987	24,084
	$ 1,097,381	$ 364,915	$ 1,462,296

Note 8: **Receivables**

Accounts receivable, net of allowance for uncollectibles, includes receivables from federal, state, and local governments in the net amount of $37,456,178. Patient accounts receivable at Health Clinics and Ancillary Services of $23,159,692 net of an allowance for uncollectibles of $4,176,070, leaves a net receivable of $18,983,622. Substantially all other receivables are deemed collectible.

At June 30, 2010, deferred revenue and unearned revenue were reported as follows:

Governmental Activities:	Unavailable	Unearned
General fund:		
Property taxes receivable	$ 68,920	
Accounts receivable	8,940	
Interest receivable		
Advanced deposits for animal services		$ 1,943
Advanced deposits for probation services		1,403,491
Advanced deposits for sheriff services		473,113
Grant drawdowns prior to meeting all eligibility requirements		81
Behavioral Health and Recovery		
Grant drawdowns prior to meeting all eligibility requirements		12,113,594
Tobacco Settlement		
Interest receivable	749,571	
Community Services Agency:		
Grant drawdowns prior to meeting all eligibility requirements		12,923,176
Nonmajor funds:		
Grant drawdowns prior to meeting all eligibility requirements		1,432,187
	$ 827,431	$ 28,347,585

Note 9: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975-1976 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for the 2009-2010 fiscal year is $37,297,148,953.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Sections 4703 and 4703.2 of the California Revenue and Taxation Code require that a property tax loss reserve fund be maintained at 1% of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the county, or 25% of the total delinquent secured taxes. For the 2009-2010 tax year, the Revenue and Taxation Code 4703 methodology of 1% was elected by Board resolution.

Taxes receivable in the General Fund includes $22 million long term property tax receivable resulting from the Teeter method of distribution. This long term receivable as well as another $8.6 million expected to be collected next fiscal year have already been credited to other governments. These property tax receivables will be collected from the taxpayers.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This period was 60 days from the end of the fiscal year. Property taxes receivable that do not meet the "available" criteria are recorded as deferred revenue.

Note 10: **Proposition 1A**

Proposition 1A, as approved by the voters of California on November2, 2004, amended the State Constitution by prohibiting the legislature from modifying the manner in which property tax revenues are allocated to the local taxing agencies. However, the provisions of Proposition 1A can be suspended under certain conditions. On July 28, 2009, the State legislature passed, and the Governor signed into law, the suspension of the property tax protection provisions of Proposition 1A and allowed the State to borrow up to 8% from the Fiscal Year 2009-2010 property tax allocation of local entities.

In Fiscal Year 2009-2010, the total amount of loan from the County's property tax allocation was $7,866,152.

Note 11: **Leases**

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated $3,846,954 for all fund types for the year ended June 30, 2010. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2010.

Year Ending June 30,	
2011	$ 3,405,209
2012	2,874,622
2013	2,238,327
2014	1,456,178
2015	1,296,232
2016-2020	5,641,349
Total Minimum Lease Payments	$ 16,911,917

The Stanislaus Waste Energy Company (SWEC) has a lease agreement with the County to lease the 16-acre site on which the waste energy facility was built. The lease term is 35 years and contains a 15-year option to renew at the lessee's (SWEC) option. The County purchased the land in 1974 for $6,161.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building #1 at the County Center III site for the purpose of a print shop. The term is six years with a mutual option to renew.

Note 11: **Leases** (continued)

Operating Leases (continued)

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2010.

Year Ending June 30,	
2011	$ 198,000
2012	198,000
2013	198,000
2014	198,000
2015	198,000
2016-2020	990,000
2021	198,000
Total minimum lease revenue	$ 2,178,000

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2010
Governmental activities:		
Building	0.00-7.7%	$ -
Equipment	0.00-7.7%	1,688,007
		$ 1,688,007
Business-type activities:		
Equipment	0.00-7.7%	$ 982,022
		$ 982,022
Total capital lease obligations		$ 2,670,029

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2011	$ 689,917	$ 357,886
2012	531,358	357,886
2013	365,301	352,276
2014	250,581	-
2015	54,478	-
Total Minimum Lease Payments	1,891,635	1,068,048
Less: Amounts Representing Interest	(203,628)	(86,026)
Present Value of Minimum Lease Payments	1,688,007	982,022
Less: Current Portion of Capital Leases	(595,681)	(311,171)
Long-term Capital Lease Obligation	$ 1,092,326	$ 670,851

Note 11: **Leases** (continued)

Capital Leases (continued)

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Building	$ 105,128	$ -
Equipment	2,747,036	1,145,930
Less: accumulated depreciation	(1,049,069)	(43,993)
Net value	$1,803,095	$ 1,101,937

Note 12: **Long-Term Debt**

A. **Summary of Long-Term Debt**

The following is a summary of long-term liability transactions for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Governmental Activities:					
Certificates of participation	89,941,864		(7,444,280)	82,497,584	7,721,640
Plus issuance premium	1,269,011		(144,343)	1,124,669	144,343
Bonds payable	62,515,000		(8,730,000)	53,785,000	9,365,000
RDA loans	5,376,965	562,500	(204,680)	5,734,785	214,165
Interest RDA CalHFA Loan	-	65,827	-	65,827	
Tobacco securitization note*	100,733,611		(1,465,000)	99,268,611	2,795,000
Accreted interest tobacco note	9,016,239	3,224,816		12,241,056	
	268,852,690	3,853,143	(17,988,303)	254,717,532	20,240,148
Risk management liability	$ 22,469,658	$ 3,444,619	$ (104,669)	$ 25,809,608	$ 7,206,269
Capital lease payable	1,134,634	1,224,694	(671,321)	1,688,007	595,681
Compensated absences	28,956,933	2,978,138	(1,941,137)	29,993,934	1,072,029
	$ 52,561,225	$ 7,647,451	$ (2,717,127)	$ 57,491,549	$ 8,873,979
Total Governmental Activities	$ 321,413,915	$ 11,500,594	$ (20,705,430)	$ 312,209,081	$ 29,114,127
Business-type Activities:					
Certificates of participation	553,136		(175,720)	377,416	183,360
	553,136	-	(175,720)	377,416	183,360
Risk management liability	$ 161,000	$ 467,000	$ -	$ 628,000	$ 628,000
Compensated absences	1,344,232	148,318	(158,693)	1,333,857	114,104
Capital lease payable	1,276,404	-	(294,382)	982,022	311,171
	$ 2,781,636	$ 615,318	$ (453,075)	$ 2,943,879	$ 1,053,275
Total Business-Type Activities	$ 3,334,772	$ 615,318	$ (628,795)	$ 3,321,295	$ 1,236,635

* The deletions include a $35K prior year adjustment. In fiscal year 2008-2009 the deletions were overstated by a variance related to actual v scheduled payments

Note 12: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $677,420 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

As of June 30, 2010, annual debt service requirements of governmental activities to maturity are as follows:

	Governmental Activities			
Year Ending	Bonds Payable		Certificates of Participation	
June 30	Principal	Interest	Principal	Interest
2011	9,365,000	3,236,179	7,721,640	3,483,976
2012	10,040,000	2,555,885	8,010,944	3,183,698
2013	10,770,000	1,825,137	6,945,000	2,870,338
2014	11,555,000	1,040,076	7,205,000	2,606,300
2015	545,000	620,405	7,550,000	2,245,750
2016-2020	2,255,000	2,760,656	28,900,000	6,113,140
2021-2025	2,460,000	2,155,972	13,180,000	2,117,691
2026-2030	2,675,000	1,471,817	2,985,000	65,297
2031-2035	2,900,000	721,863		
2036-2040	1,220,000	65,844		
2041-2045	-	-		
Totals	$ 53,785,000	$ 16,453,834	$ 82,497,584	$ 22,686,190

Year Ending	Tobacco Securitization Note		Tobacco Securitization Note 2006	
June 30	Principal	Interest	Principal	Interest
2011	2,795,000	3,156,181		
2012	3,285,000	2,998,881		
2013	3,555,000	2,821,231		
2014	3,835,000	2,625,569		
2015	4,130,000	2,414,438		
2016-2020	27,590,000	8,038,533		
2021-2025	11,925,000	843,356		$ 34,642,898
2026-2030			23,793,382	41,995,491
2031-2035			9,446,325	46,643,005
2036-2040			-	50,126,388
2041-2045			8,913,904	52,723,314
Totals	$ 57,115,000	$ 22,898,189	$ 42,153,611	$ 226,131,096

Note 12: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

The above Tobacco Securitization Note amortization schedule assumes that the turbo payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

As of June 30, 2010, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30	Business-type Activities Certificates of Participation Principal	Interest
2011	183,360	18,871
2012	194,056	9,703
Totals	$ 377,416	$ 28,574

B. **Long Term Obligations**

A summary of certificates of participation at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2010
Governmental activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 9,105,056	$ 2,562,584
1998 Series A	3.75-4.75	3/1/1998	9/1/2018	22,160,000	12,755,000
2004 Series A	1.63-4.38	3/26/2004	9/1/2025	15,371,663	12,965,000
2004 Series B	1.63-4.38	3/26/2004	9/1/2025	27,511,451	23,200,000
2007 Series A Refunding	3.65-5.75	2/1/2007	5/1/2018	42,081,614	31,015,000
Total governmental activities				116,229,784	82,497,584
Business-type activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	1,524,944	377,416
Total business-type activities				1,524,944	377,416
Total				$ 117,754,728	$ 82,875,000

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2010
Tobacco Securitization Note	5.5-7.5	3/21/2002	6/1/2043	$ 67,305,000	$ 57,115,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	54,394,666
Total				$ 109,458,611	$ 111,509,666

Note 12: **Long-Term Debt** (continued)

B. **Long Term Obligations** (continued)

A summary of loans and bonds payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2010
1995 Pension Obligation Bonds	7.15	9/25/1995	8/15/2013	$ 108,970,000	$ 39,780,000
RDA 2005 TAB	3.5-5.42	12/20/2005	8/1/2036	15,615,000	14,005,000
Total Bonds				$ 124,585,000	$ 53,785,000
RDA State Water Resources Board Loan	3.1	9/13/1995	12/12/2015	2,646,310	967,285
RDA CalHFA Loan	3.0	4/15/2005	4/12/2015	628,327	628,327
RDA USDA Loan	4.25	8/21/2003	8/1/2041	4,525,000	4,205,000
Total Loans				$ 7,799,637	$ 5,800,612

Purpose for County Borrowings

1997 Series B Refunding	Purchase medical arts building and construct jail kitchen laundry
1998 Series A	Construct a portion of government building with the City of Modesto
2004 Series A	Construction of Gallo Center for the Arts
2004 Series B	Construction of 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
1995 Pension Obligation Bonds	Pay StanCERA for unfunded actuarial accrued liability
RDA State Water Resources Board	To build Bret Harte sewer collection and transfer system
RDA 2005 TAB	To pay for Keyes storm drain project
RDA Cal HFA Loan	This is a first-time homebuyers downpayment assistance program
RDA USDA Loan	To pay for Salida storm drain project
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

C. **Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and the second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

The California County Tobacco Securitization Agency (the Agency) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Corporation from tobacco settlement revenues purchased from the County.

Note 12: **Long-Term Debt** (continued)

C. **Tobacco Settlement Asset-Backed Bonds** (continued)

In April 2002, the Agency issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was $67,305,000 and the expected maturity dates were from June 1, 2019-2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of $42,153,611 and the expected maturity dates were from June 1, 2046-2055. The bonds' interest rates range from 5.75% to 7.25%.

D. **Arbitrage**

Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year no calculations were performed. At June 30, 2010, the County has no outstanding liability for arbitrage.

Note 13: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

Note 13: **Solid Waste Landfill Closure and Postclosure Care Costs** (continued)

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2010	$ 22,483,335	$ 6,533,958	$ 29,017,293
Liability recognized as of June 30, 2010	$ 7,032,461	$ 6,533,958	$ 13,566,419
Landfill capacity used to date	31.28%	100%	
Estimated remaining useful life	23 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Landfill	$ 17,795,932
Geer Road Landfill	$ 2,837,432

Note 14: **Net Assets/Fund Balances**

Net Assets

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

Note 14: **Net Assets/Fund Balances** (continued)

Net Assets (continued)

As of June 30, 2010, the County had the following restrictions to net assets:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	$ 113,361,790	$ -
Debt service	$ 15,662,694	
Other purposes:		
Landfill closure/post-closure		20,697,693
Children & families commission	16,573,211	
Road construction	12,009,057	
Tax loss reserve	4,169,660	
Child support service	1,556,311	
Public assistance	886,171	
Public health	978,847	
Environmental resources	1,384,331	
Lighting & storm drain districts/County service areas	2,039,362	
Clerk-recorder - capital assets	4,949,852	
Planning grants	1,502,453	
Other	7,393,642	
Subtotal other purposes	53,442,897	20,697,693
Total Restricted Net Assets	$ 182,467,381	$ 20,697,693
Amount of total restricted by enabling legislation	$ 93,062	$ -

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The Board will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

Note 14: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

As of June 30, 2010, the County has reserved or designated fund balances as follows:

Reserved for Encumbrances: This represents that portion of fund balance reserved for encumbrances existing at year end which will result in subsequent year expenditures.

Reserved – Advances to other funds: This represents the portion of fund balance reserved for loans to other funds that are not expected to be repaid in the short-term.

Reserved - Long term receivables: This represents the portion of fund balance related to delinquent property taxes due from the taxpayers not expected to be collected in the short term.

Reserved – Loans to other governments: This represents the portion of fund balance reserved for loans to other governments that are not expected to be repaid in the short-term.

Reserved – Other: This represents that portion of fund balance unavailable for appropriation for the following reasons:

	General Fund	Behavioral Health & Recovery	Community Services Agency	Nonmajor Governmental Funds
Deposits with others	$ 10,000	$	$	$
Inventory				406,737
Imprest cash	91,845	8,701	25,150	13,193
Prepaid items	220,925	3,435		100,649
Clerk/Recorder projects				2,750,000
Tax loss reserve	4,169,660			
Total	$ 4,492,430	$ 12,136	$ 25,150	$ 3,270,579

Reserved for Capital projects: This represents the portion of fund balance held by trustees for major capital projects.

Reserved for Debt Service: This represents that portion of borrowings which are held in reserve accounts by trustees and that portion of borrowings held in interest reserve accounts for interest payments.

Designated for Debt Service: This represents that portion of available fund balance segregated to meet future principal and interest payments on debt.

Designated for Contingencies: This represents that portion of available fund balances set aside for emergency and unforeseen expenditures.

Note 15: **Risk Management**

The County CEO-Risk Management Division's program encompasses workers' compensation, general and professional liability, property, unemployment, vision, dental and purchased health insurance. The County is self insured for workers' compensation for the first $500,000 per claim with excess insurance for amounts spent over $500,000 not to exceed $5,000,000 per claim. The general liability insurance covers property damage, personal injury, auto and public officials' errors and omissions has a self insured retention of $250,000 per occurrence with excess insurance though CSAC Excess Insurance Authority of up to $25,000,000. The County's property coverage limit is $584,896,996 subject to a $10,000 deductible. Unemployment, vision care, and dental insurance are the sole responsibility of the County. Limited exposure precludes the need for outside insurance coverage. Health Insurance is offered to employees through Kaiser HMO and Health Savings Account and Blue Cross HMO and Health Savings Account options.

The Health Services Agency and Behavioral Health and Recovery Services participate in the medical malpractice program subject to a self-insured retention of $500,000 per claim. The excess insurance is capped at $10,000,000 per claim.

The estimation of claims liability is dependent on factors including, but not limited to; inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is completed each year.

The County is named in several legal actions and while we cannot predict the ultimate outcome with certainty, we do not believe there will be an adverse impact on the financial position of the County.

	2008/2009	2009/2010
Unpaid claims as of July 1	$ 23,687,422	$ 22,630,658
Incurred claims (including IBNRs)	9,428,642	13,932,689
Claim payments	(10,485,406)	(10,125,739)
Unpaid claims as of June 30	$ 22,630,658	$ 26,437,608

Note 16: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2010, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 17: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (Agency) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a commission consisting of two members of the City council and two members of the County's Board of Supervisors. The agreement provides that the City and the County shall pay for costs associated with the operation of the Agency and are entitled to all rights and property of the Agency equally.

On May 1, 1990, the Agency issued Certificates of Participation to refinance a bond issued through California Pollution Control Financing Authority. And on February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. Outstanding debt of the Agency at June 30, 2010 is $0. Financial statements for the Agency are produced biannually and are available from the County of Stanislaus.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). The governing body consists of two members from each city council and the County Board of Supervisors.

The TRRP Board prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of the Park based on the percentage of cumulative contributions paid. As of June 30, 2010, the County's equity interest was $1,504,720. For the fiscal year ending June 30, 2010, the County contributed $192,740 to TRRP. Financial statements for TRRP are prepared by the City of Modesto Finance Department and are available from them. Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff to Stanislaus County and the chief of police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population and assessed property value. The County's contribution to the SDEA for fiscal year 2010 was $89,699. Upon termination of the agreement, assets

Note 17: **Joint Ventures** (continued)

Stanislaus Drug Enforcement Agency (continued)

will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto. Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (Agency) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The Agency prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the Agency which percentages shall be reviewed and approved in connection with the project and annual budgets of the Agency. As of June 30, 2010, the County's equity interest in the Agency was $13,004,010 and is reported as Investments-joint ventures in the government-wide statement of new assets.

The County was the Agency's fiscal administrator during the construction phase of the City-County Administration Center, finalized at the end of June 2003. Since then, the City has been the fiscal administrator. Financial statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

On November 15, 2000, the County entered into a Joint Powers Agreement (the "Agreement") with the County of Merced, County of Sonoma, and the County of Kern

Note 17: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency (continued)

thereby creating the California County Tobacco Securitization Agency (the "Agency"). The Agency then added the County of Marin, County of Placer, the County of Fresno, and the County of Alameda. The Agency is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of its purpose, the Agency has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the Agency for the purpose of issuing bonds in the principal amount of $67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for $52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the Agency to borrow the proceeds of the $42,153,611 agency 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received $40,971,290.

The financial statements of the Agency are produced annually and are available from the County of Placer, Ann Holman, Clerk-Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603.

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the "Agency") was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The Agency is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council. The purpose of the Agency is to consolidate the public safety communications system. The responsibilities of the County and the City include approval: of the annual budget, claims, liabilities, and the use of Agency property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon

Note 17: **Joint Ventures** (continued)

Consolidated Emergency Dispatch Agency (continued)

termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California, 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the city of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2010, the County paid $55,019 to YCCD under this agreement. Financial statements may be obtained by writing to the Office of the Chancellor, Yosemite Community College District, 2201 Blue Gum Avenue, Modesto, CA 95352

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). The benefits of adding these counties creates opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

The Authority was originally governed and administered by a Board of Directors consisting of four (4) Directors. The Directors are the Merced County Director of the Human Services Agency, the Riverside County Director of the Department of Public Social Services, the San Bernardino County Assistant County Administrator for Social Services, and the Stanislaus County Director of the Community Services Agency. With the addition of 35 counties three (3) new directors will be added.

Note 17: **Joint Ventures** (continued)

California Statewide Automated Welfare System Consortium IV (continued)

Stanislaus County's C-IV costs for Fiscal Year 2009-2010 were $318,273. Financial Statements may be obtained by writing to the County of San Bernardino, County Administrative Officer, 385 North Arrowhead Avenue 5th Floor, San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority (Authority) between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway. The purpose of the Authority is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County.

The intent of the North County Corridor is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The majority of project costs will be funded by State Transportation Program and Public Facility Fees. The exact cost of the project will not be known until after the completion of the Project Study Report. The Authority Board of Directors will be comprised of two directors appointed by the County, and one director from each participating city. The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the Authority's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of the Authority. Financial statements, when available, may be obtained from the Stanislaus County Public Works Department 1716 Morgan Road, Modesto, CA 95358.

Note 18: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, death benefits and health and welfare insurance for certain retirees and their dependents. The plan is administered by the StanCERA. One actuarial valuation is performed for the system as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County that are not governed by the County's Board of Supervisors.

Note 18: **Employees' Retirement Plan** (continued)

StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees' Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported sales price at current exchange rates. No investment in any single asset represents more than 5% of the net assets available for pension benefits.

StanCERA has five tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, and Tier 5 vest after five years of credited service, while the benefit known as Tier 3 vests after 10 years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 or more years of membership with StanCERA or at any age with 30 or more years of credited service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 years of membership with StanCERA or at any age with 20 or more years of credited service. All Tier 3 members may retire at age 55 with 10 or more years of credited service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4 and Tier 5 members includes a post-retirement cost-of-living adjustment (COLA) based upon the Consumer Price Index. COLA increases/decreases are limited to a maximum of 3% annually. Total COLA decrease(s) cannot exceed the cumulative amount of previous COLA increase(s). Tier 1, Tier 2, Tier 4 and Tier 5 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4 and Tier 5 are required by statute to contribute to the pension plan. Members' contribution rates are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Contribution rates vary from 4.20% to 18.85% of covered payroll for the County and from 2.48% to 15.48% of covered payroll for employees.

Note 18: **Employees' Retirement Plan** (continued)

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

In addition to providing pension benefits, StanCERA provides a subsidy allowance for retirees. Substantially all of the active members may become eligible for this benefit if they reach normal retirement age. For the year ending June 30, 2010, 2,550 retirees received this subsidy allowance, for a total of $2,951,660. StanCERA sponsored retiree subsidy allowance is not vested and may be discontinued with 90 days notice. Retiree subsidy allowance benefits are funded from excess earnings of the retirement association. As of June 30, 2010, the excess earnings set aside in the net assets held in trust for pension benefits of the Employees' Retirement Trust for funding retiree subsidy allowance amounted to $33,366,572.

StanCERA also provides a death benefit of $5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

The County's contribution to StanCERA for the years ending June 30, 2008, 2009 and 2010 were $19,485,137, $20,160,386 and $19,253,308 respectively, equal to the required contributions for each year.

Schedule of Funding Progress

SCHEDULE OF FUNDING PROGRESS-PENSION BENEFIT PLAN
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) Funding Excess	Funded Ratio	Covered Payroll	(UAAL) as a Percentage of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
6/30/2006	$ 1,154,048	$ 1,329,375	$ 175,327	86.80%	$ 212,011	82.70%
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$ 242,009	95.70%
6/30/2009	$ 1,171,767	$ 1,653,716	$ 481,949	70.90%	$ 248,316	194.10%

The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.
Actuarial valuation was not performed for fiscal year June 30, 2007.
Data provided by last actuarial valuation as of July 1, 2010.

Expressing StanCERA's benefits pension plan (the Plan) net assets as a percentage of the actuarial accrued liability (AAL) provides one indication of StanCERA's funding status on a going-concern basis. Analysis of this percentage over time will indicate whether the Plan is becoming financially stronger or weaker.G enerally, the greater this percentage, the stronger the Plan. As of the most current actuarial valuation completed for year ending

Note 18: **Employees' Retirement Plan** (continued)

June 30, 2009 this percentage was 70.90%. Trends in the unfunded actuarial accrued liability (UAAL) and annual covered payroll are both affected by inflation. Expressing the

UAAL , as a percentage of annual covered payroll approximately adjusted for the effects of inflation, will also aid analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan. As of June 30, 2009 this percentage was 194.10%.

Note 19: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

For fiscal year ended June 30, 2010 the County's annual OPEB cost (expense) of $4,338,380 was equal to the annual required contribution (ARC). The net OPEB obligation for 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	$ 4,338,380	68.3%	$ 4,581,938

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are

Note 19: **Other Post Employment Benefits (OPEB)** (continued)

compared with past expectations and new estimates are made about the future. The funded status of the plan as of June 30, 2010 was as follows:

Stanislaus County Employees Other Post Employment Benefit (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	$0	$ 36,877,098	$36,877,098	0%	$ 216,990,039	17.0%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's first actuarial valuation was performed as of July 1, 2006. In that valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a six percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of five percent after five years. Both rates reflect an implicit three percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a rolling basis. The remaining amortization period as of June 30, 2007 was 30 years.

Note 20: **Subsequent Events**

On August 31, 2010, the Board approved the revised fund balance policy. The new policy is effective July 1, 2010 and includes the fund balance reporting changes as required by GASB Statement No. 54. At this time, the Board also designated authority to the Chief Executive Office to assign fund balance.

Note 20: **Subsequent Events** (continued)

The Family Justice Center is a collaborative model that will provide for the co-location of services to support victims of abuse, enabling them to go to a single location, tell their story one time, and get the services and assistance they need. Funding from the Department of Justice grant program will provide partial funding for Stanislaus Family Justice Center (SFJC) staff and one Investigator for the District Attorney for a twenty-four month period. Currently, there is not a comprehensive victim services and support center located in Stanislaus County for victims of domestic violence, dating violence, sexual abuse and stalking. For victims who do seek help, many find the current system overwhelming. Though Stanislaus County agencies are adept at providing intensive services to victims, the Department of Justice grant will allow greater collaboration between a wide array of agencies to ensure that a victim's needs are met quickly and delivered with dignity and respect. The project will also build a strong referral network for assistance with ancillary matters to help bolster safety and security for the victims. Planning for the SFJC began in November 2006 and had its grand opening on October 22, 2010.

Required Supplementary Information

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2010

Stanislaus County Employees' Retirement Association
Schedule of Funding Progress – Pension Benefit Plan

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) as a Percentage of Covered Payroll ((b-a)/c)
6/30/2003	$ 937,797	$ 958,095	$ 20,298	97.90%	$ 197,664	10.30%
6/30/2004	$ 993,180	$ 1,035,345	$ 42,165	95.90%	$ 199,963	21.10%
6/30/2005	$ 1,049,691	$ 1,116,310	$ 66,619	94.00%	$ 211,681	31.50%
6/30/2006	$ 1,154,048	$ 1,329,375	$ 175,327	86.80%	$ 212,011	82.70%
6/30/2008	$ 1,317,167	$ 1,548,824	$ 231,657	85.00%	$ 242,009	95.70%
6/30/2009	$ 1,171,767	$ 1,653,716	$ 481,949	70.90%	$ 248,316	194.10%

Actuarial valuation was not performed for fiscal year June 30, 2007.
Data provided by last actuarial valuation as of June 30, 2009.
The actuarial valuation as of June 30, 2006 was revised due to changes in assumptions.

Other Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2010

Stanislaus County Employees Other Postemployment Benefits (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability (AAL) Projected Unit Credit b	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	$0	$ 36,090,083	$36,090,083	0%	$ 215,818,211	16.7%
7/1/2008	$0	$ 39,835,525	$39,835,525	0%	$ 222,013,314	17.9%
7/1/2010	$0	$ 36,877,098	$36,877,098	0%	$ 216,990,039	17.0%

Source: Demsey, Filliger & Associates, LLC "County of Stanislaus Actuarial Valuation as of July 1, 2010 For the County's Retiree Health Benefits Agreement with StanCERA"

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 88.29% of StanCERA's covered payroll.

The OPEB schedule presented relates solely to the County.

Other Supplementary Information

Non-major Governmental Funds

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Funds

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities.

Redevelopment Agency

The Redevelopment Agency Fund was established so the County can use redevelopment tax increment financing as a tool to initiate capital public project, property rehabilitation and private development.

Capital Projects

Among the major projects is the new Thomas W. Mayfield Regional Animal Services Facility and improvements to the Salida library.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

Capital Improvement Financing Authority

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificates of Participation issued to finance various capital projects.

Pension Obligation Bonds

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

Stanislaus County Tobacco Funding Corporation

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State.

County of Stanislaus
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2010

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stanislaus County Tobacco Funding Corporation	Totals
Assets							
Cash and investments	$ 53,003,762	$ 17,812,374	$ 11,546,421	$ 4,288,490	$ 145,946	$ 9,220	$ 86,806,213
Cash with fiscal agent		1,193,740		6,271,324	19,707	4,754,160	12,238,931
Account receivable (net of allowance for uncollectables)	19,294,031	9,365	9,862			2,926,088	22,239,346
Interest and other receivables	136,485	60,887	22,746	13,694	(5,306)	29	228,535
Inventory	406,737						406,737
Due from other funds	909,498						909,498
Loans to other governments		21,695					21,695
Prepaid items	145,649						145,649
Total assets	$ 73,896,162	$ 19,098,061	$ 11,579,029	$ 10,573,508	$ 160,347	$ 7,689,497	$ 122,996,604
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 7,292,867	$ 269,901	$ 910,159	$	$	$ 2,926,088	$ 11,399,015
Salaries and benefits payable	2,089,720	3,030					2,092,750
Due to other funds	2,962,207						2,962,207
Deferred revenue	1,432,187						1,432,187
Advances from other funds	100,000	400,000					500,000
Total Liabilities	13,876,981	672,931	910,159			2,926,088	18,386,159
Fund Balances							
Reserved for:							
Encumbrances	10,938,477	1,995,723	5,377,601				18,311,801
Loans to other governments		24,565					24,565
Other	3,270,579			4,255,749			7,526,328
Capital projects		1,193,740					1,193,740
Debt service		147,000		6,271,324	19,707	4,754,159	11,192,190
Unreserved:							
Undesignated	45,810,125	15,064,102	5,291,269	46,435	140,640	9,250	66,361,821
Total fund balances	60,019,181	18,425,130	10,668,870	10,573,508	160,347	4,763,409	104,610,445
Total liabilities and fund balances	$ 73,896,162	$ 19,098,061	$ 11,579,029	$ 10,573,508	$ 160,347	$ 7,689,497	$ 122,996,604

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the fiscal year ended June 30, 2010

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stanislaus County Tobacco Funding Corporation	Totals
Revenues:							
Taxes	$ 7,976,079	$ 1,730,682	$	$	$	$	$ 9,706,761
Licenses, permits and franchises	1,388,078						1,388,078
Fines, forfeitures and penalties	1,832,039		1,715,588				3,547,627
Revenue from use of money and property	446,225	72,002	83,469	145,980	(28,149)	252,141	971,668
Intergovernmental revenue	149,667,363	71,226	786,208		585,410		151,110,207
Charges for services	34,134,341	23,828					34,158,169
Miscellaneous revenue	912,015	386,623	126,220		257,473	4,691,385	6,373,716
Total revenues	196,356,140	2,284,361	2,711,485	145,980	814,734	4,943,526	207,256,226
Expenditures:							
Current:							
General government	791,084						791,084
Public protection	47,456,552						47,456,552
Public ways and facilities	24,520,051						24,520,051
Health and sanitation	51,015,929						51,015,929
Public assistance	83,148,640						83,148,640
Education	11,041,861						11,041,861
Recreation and cultural services	520,210						520,210
Debt service:							
Interest and fiscal charges		942,968		3,789,615	3,143,626	3,464,591	11,340,800
Principal		644,680		7,444,280	8,290,000	1,500,000	17,878,960
Capital outlay		12,581,650	4,766,485				17,348,135
Total expenditures	218,494,327	14,169,298	4,766,485	11,233,895	11,433,626	4,964,591	265,062,222
Revenues over (under) expenditures	(22,138,187)	(11,884,937)	(2,055,000)	(11,087,915)	(10,618,892)	(21,065)	(57,805,996)
Other financing sources (uses):							
Transfers in	22,205,082		2,025,070	11,184,544	11,024,724		46,439,420
Transfers out	(4,338,802)	(3,548)	(1,230,898)				(5,573,248)
Sale of capital assets	3,474						3,474
Total other financing sources (uses)	17,869,754	(3,548)	794,172	11,184,544	11,024,724		40,869,646
Net changes in fund balances	(4,268,433)	(11,888,485)	(1,260,828)	96,629	405,832	(21,065)	(16,936,350)
Fund balances -- beginning	64,287,614	30,313,615	11,929,698	10,476,879	(245,485)	4,784,474	121,546,795
Fund balances -- ending	$ 60,019,181	$ 18,425,130	$ 10,668,870	$ 10,573,508	$ 160,347	$ 4,763,409	$ 104,610,445

Non-major Special Revenue Funds

NON-MAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Non-major special revenue funds include:

Environmental Resources

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

Children and Families Commission

This fund was established to create and implement a comprehensive system of services to support childhood development from the prenatal stage to five (5) years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among counties based on the number of live births, annually, in each county.

Public Works – Engineering

This fund was established to provide engineering services to other divisions in the Public Works Department and other County departments. Revenue consists primarily of charges for services.

Road and Bridge

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

Employment and Training

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

Child Support Services

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

NON-MAJOR SPECIAL REVENUE FUNDS
(Continued)

Public Authority

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

Health Services Agency

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

Indigent Health Care

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

Library

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from general fund discretionary revenues and 0.12% sales tax increment beginning in July 1995.

Lighting Districts

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

All Other Special Revenue Funds

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Property Tax Administration Program
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

County of Stanislaus
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2010

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Assets							
Cash and investments	$ 3,929,322	$ 16,880,942	$ 1,563,902	$ 10,231,492	$	$ 1,668,409	$ 254
Account receivable (net of allowance for uncollectables)	776,392	1,051,988	30,037	1,762,082	2,867,027	241,698	2,513,936
Interest and other receivables	6,791	58,412		36,770		7,518	
Inventory				295,861			
Due from other funds	42,612						25,411
Prepaid items					45,000		
Total assets	4,755,117	17,991,342	1,593,939	12,326,205	2,912,027	1,917,625	2,539,601
Liabilities and Fund Balances							
Liabilities							
Accounts payable	172,696	1,399,936	35,499	206,752	696,374	34,272	356,270
Salaries and benefits payable	173,616	18,194	146,175	110,396	179,454	327,041	
Due to other funds					2,074,494		793,294
Deferred revenue							1,000,389
Advances from other funds							
Total Liabilities	346,312	1,418,130	181,674	317,148	2,950,322	361,313	2,149,953
Fund Balances							
Reserved for:							
Encumbrances	170,309	550,272	42,348	232,734	1,690	10,768	
Other	800		200	295,861		600	
Unreserved:							
Undesignated	4,237,696	16,022,940	1,369,717	11,480,462	(39,985)	1,544,944	389,648
Total fund balances (deficit)	4,408,805	16,573,212	1,412,265	12,009,057	(38,295)	1,556,312	389,648
Total liabilities and fund balances	$ 4,755,117	$ 17,991,342	$ 1,593,939	$ 12,326,205	$ 2,912,027	$ 1,917,625	$ 2,539,601

County of Stanislaus
Combining Balance Sheet
Non-major Special Revenue Funds (Continued)
June 30, 2010

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Assets
$ 17,560	$ 600,589	$ 3,387,769	$ 92,721	$ 14,630,802	$ 53,003,762	Cash and investments
5,177,154	939,365	844,563		3,089,789	19,294,031	Account receivable (net of allowance for uncollectables)
9,708	1,656		316	15,314	136,485	Interest and other receivables
110,876					406,737	Inventory
185,170	656,305				909,498	Due from other funds
99,249				1,400	145,649	Prepaid items
5,599,717	2,197,915	4,232,332	93,037	17,737,305	73,896,162	Total assets
						Liabilities and Fund Balances
						Liabilities
919,693	1,750,195	73,239	9,257	1,638,684	7,292,867	Accounts payable
743,851	65,557	179,139		146,297	2,089,720	Salaries and benefits payable
94,419					2,962,207	Due to other funds
350,243	61,406			20,149	1,432,187	Deferred revenue
				100,000	100,000	Advances from other funds
2,108,206	1,877,158	252,378	9,257	1,905,130	13,876,981	Total Liabilities
						Fund Balances
						Reserved for:
281,747	19,747	251,241		9,377,621	10,938,477	Encumbrances
215,043	50	1,425		2,756,600	3,270,579	Other
						Unreserved:
2,994,721	300,960	3,727,288	83,780	3,697,954	45,810,125	Undesignated
3,491,511	320,757	3,979,954	83,780	15,832,175	60,019,181	Total fund balances (deficit)
$ 5,599,717	$ 2,197,915	$ 4,232,332	$ 93,037	$ 17,737,305	$ 73,896,162	Total liabilities and fund balances

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the fiscal year ended June 30, 2010

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Revenues:							
Taxes	$	$	$	$ 338,277	$	$	$
Licenses, permits and franchises			1,260,981	39,152			
Fines, forfeitures and penalties	56,541						
Revenue from use of money and property	20,857	190,730		101,200		26,231	140
Intergovernmental revenue	905,513	6,826,294	48,347	17,497,158	15,079,398	15,570,068	55,663,691
Charges for services	6,648,297		5,090,583	338,649	5,949,392		
Miscellaneous revenue	45,177	1,149	24,871	460			135,973
Total revenues	7,676,385	7,018,173	6,424,782	18,314,896	21,028,790	15,596,299	55,799,804
Expenditures:							
General		766,943					
Public protection	8,036,276		1,660,791			15,141,577	
Public ways and facilities			5,057,373	19,462,678			
Health and sanitation		6,687,609					
Public assistance					21,700,090		58,896,190
Education		2,200,762					
Recreation and cultural services							
Total expenditures	8,036,276	9,655,314	6,718,164	19,462,678	21,700,090	15,141,577	58,896,190
Revenues over (under) expenditures	(359,891)	(2,637,141)	(293,382)	(1,147,782)	(671,300)	454,722	(3,096,386)
Other financing sources (uses):							
Transfers in	1,261,079		492,099	361,762			3,486,034
Transfers out	(178,568)	(19,376)	(163,015)	(887,119)	(172,439)	(376,368)	
Sale of capital assets			2,299			392	
Total other financing sources (uses)	1,082,511	(19,376)	331,383	(525,357)	(172,439)	(375,976)	3,486,034
Net change in fund balance	722,620	(2,656,517)	38,001	(1,673,139)	(843,739)	78,746	389,648
Fund balances -- beginning	3,686,185	19,229,729	1,374,264	13,682,196	805,444	1,477,566	
Fund balances (deficit) -- ending	$ 4,408,805	$ 16,573,212	$ 1,412,265	$ 12,009,057	$ (38,295)	$ 1,556,312	$ 389,648

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds (Continued)
For the fiscal year ended June 30, 2010

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Revenues:
$	$	$ 6,556,388	$ 52,157	$ 1,029,257	$ 7,976,079	Taxes
8,717				79,228	1,388,078	Licenses, permits and franchises
132,604	859,141			783,753	1,832,039	Fines, forfeitures and penalties
41,479	6,624		464	58,500	446,225	Revenue from use of money and property
12,892,328	2,451,814	348,896	677	22,383,179	149,667,363	Intergovernmental revenue
11,529,603	985,767	355,061	246,561	2,990,428	34,134,341	Charges for services
417,193	473	39,751	(2,138)	249,106	912,015	Miscellaneous revenue
25,021,924	4,303,819	7,300,096	297,721	27,573,451	196,356,140	Total revenues
						Expenditures:
				24,141	791,084	General
			293,048	22,324,860	47,456,552	Public protection
					24,520,051	Public ways and facilities
29,584,595	14,743,725				51,015,929	Health and sanitation
				2,552,360	83,148,640	Public assistance
		8,834,485		6,614	11,041,861	Education
				520,210	520,210	Recreation and cultural services
29,584,595	14,743,725	8,834,485	293,048	25,428,185	218,494,327	Total expenditures
(4,562,671)	(10,439,906)	(1,534,389)	4,673	2,145,266	(22,138,187)	Revenues over (under) expenditures
						Other financing sources (uses):
4,244,663	9,845,814	1,096,051		1,417,580	22,205,082	Transfers in
(1,315,994)	(67,423)	(153,387)		(1,005,113)	(4,338,802)	Transfers out
783					3,474	Sale of capital assets
2,929,452	9,778,391	942,664		412,467	17,869,754	Total other financing sources (uses)
(1,633,219)	(661,515)	(591,725)	4,673	2,557,733	(4,268,433)	Net change in fund balance
5,124,730	982,272	4,571,679	79,107	13,274,442	64,287,614	Fund balances -- beginning
$ 3,491,511	$ 320,757	$ 3,979,954	$ 83,780	$ 15,832,175	$ 60,019,181	Fund balances (deficit) -- ending

Non-major Enterprise Funds

NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public. Non-major Enterprise funds include:

County Transit System

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

Inmate Welfare/Commissary

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

County of Stanislaus
Combining Statement of Net Assets
Non-major Enterprise Funds
June 30, 2010

	County Transit System	Inmate Welfare/ Commissary	Total
ASSETS:			
Current Assets:			
Cash and investments	$ 2,542,106	$ 464,054	$ 3,006,160
Accounts receivable, net	734,008	57,650	791,658
Interest and other receivables	7,442	1,553	8,995
Inventory		22,872	22,872
Total current assets	3,283,556	546,129	3,829,685
Noncurrent assets:			
Capital assets:			
Building and improvements	68,093	216,731	284,824
Equipment	4,770,413	144,907	4,915,320
Less: Accumulated depreciation	(1,724,258)	(145,296)	(1,869,554)
Total noncurrent assets	3,114,248	216,342	3,330,590
Total assets	6,397,804	762,471	7,160,275
LIABILITIES:			
Current liabilities:			
Accounts payable	245,337	38,840	284,177
Salaries and benefits payable	9,708	16,957	26,665
Current portion of capital lease		6,080	6,080
Liability for compensated absences - current	5,492		5,492
Total current liabilities	260,537	61,877	322,414
Noncurrent liabilities			
Liability for compensated absences	49,427		49,427
Other post-empolyment benefits (OPEB)	4,230	8,968	13,198
Capital lease payable		7,569	7,569
Total noncurrent liabilities	53,657	16,537	70,194
Total liabilities	314,194	78,414	392,608
NET ASSETS:			
Invested in capital assets, net of related debt	3,114,248	202,693	3,316,941
Unrestricted	2,969,362	481,364	3,450,726
Total net assets	$ 6,083,610	$ 684,057	$ 6,767,667

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Non-major Enterprise Funds
For the fiscal year ended June 30, 2010

	County Transit System	Inmate Welfare/ Commissary	Total
Operating revenues:			
Charges for services	$ 346,729	$ 1,379,595	$ 1,726,324
Total operating revenues	346,729	1,379,595	1,726,324
Operating expenses:			
Salaries and benefits	345,017	726,468	1,071,485
Services and supplies	3,010,904	1,069,597	4,080,501
Depreciation	428,430	24,084	452,514
Total operating expenses	3,784,351	1,820,149	5,604,500
Operating income (loss)	(3,437,622)	(440,554)	(3,878,176)
Nonoperating revenues (expenses)			
Investment income	30,342	976	31,318
Intergovernmental	3,563,214		3,563,214
Total nonoperating revenues (expenses)	3,593,556	976	3,594,532
Income (loss) before contributions and transfers	155,934	(439,578)	(283,644)
Transfers out	(9,788)	(22,455)	(32,243)
Change in net assets	146,146	(462,033)	(315,887)
Total net assets - beginning	5,937,464	1,146,090	7,083,554
Total net assets - ending	$ 6,083,610	$ 684,057	$ 6,767,667

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in general, special revenue, or enterprise funds. Internal service funds include:

General Liability Insurance

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

Unemployment Insurance

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

Workers' Compensation Insurance

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

Purchased Insurance

This fund accounts for insurance purchased from outside vendors for health and life insurance. Revenues are generated by premiums paid by other funds.

Dental Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

Vision Care Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

INTERNAL SERVICE FUNDS
(Continued)

Professional Liability Insurance

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

Central Services

This fund was established to account for the cost of issuing supplies and food items, printing, duplication, postage, mail room service, and messenger service. Revenues are generated based on billings for services provided.

Fleet Services

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

Technology and Communications

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

Morgan Shop Garage

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

County of Stanislaus
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
ASSETS:						
Cash and investments	$ 2,969,530	$ 953,473	$ 23,487,776	$ 55,262	$ 1,214,343	$ 829,143
Accounts receivable, net	98,420		67,137			
Interest and other receivables	8,860	2,910	77,291		3,483	2,519
Inventory						
Deposit with others			500,000		25,000	
Prepaid items	15,296					
Total current assets	3,092,106	956,383	24,132,204	55,262	1,242,826	831,662
Capital assets:						
Intangible assets						
Structures and improvements						
Equipment						
Less: Accumulated depreciation and amortization						
Net capital assets						
Total assets	3,092,106	956,383	24,132,204	55,262	1,242,826	831,662
LIABILITIES:						
Current liabilities						
Accounts payable	217,381	282,825	320,688		227,463	66,049
Salaries and benefits payable						
Risk management liability-current	2,086,252	275,960	4,261,409		492,845	89,803
Capital lease - current						
Compensated absences - current						
Total current liabilities	2,303,633	558,785	4,582,097		720,308	155,852
Noncurrent liabilities						
Risk management liability	2,974,748		15,628,591			
Capital leases payable						
Compensated absences						
Other post-employment benefits						
Total noncurrent liabilities	2,974,748		15,628,591			
Total liabilities	5,278,381	558,785	20,210,688		720,308	155,852
NET ASSETS (DEFICIT) :						
Invested in capital assets, net of related debt						
Unrestricted	(2,186,275)	397,598	3,921,516	55,262	522,518	675,810
Total net assets (deficit)	$ (2,186,275)	$ 397,598	$ 3,921,516	$ 55,262	$ 522,518	$ 675,810

County of Stanislaus
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2010

Self Insurance funds: Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						ASSETS:
$ 2,115,106	$ 201,161	$ 202,077	$ 3,997,108	$ 1,492,399	$ 37,517,378	Cash and investments
	21,591	5,349	7	2,126	194,630	Accounts receivable, net
6,227					101,290	Interest and other receivables
	33,557	64,942		108,045	206,544	Inventory
					525,000	Deposit with others
					15,296	Prepaid items
2,121,333	256,309	272,368	3,997,115	1,602,570	38,560,138	Total current assets
						Capital assets:
			2,704,597		2,704,597	Intangible assets
	11,735	990,773			1,002,508	Structures and improvements
	258,668	6,224,075	4,665,757	11,548,131	22,696,631	Equipment
						Less: Accumulated depreciation
	(227,566)	(5,607,205)	(4,271,701)	(6,559,957)	(16,666,429)	and amortization
	42,837	1,607,643	3,098,653	4,988,174	9,737,307	Net capital assets
2,121,333	299,146	1,880,011	7,095,768	6,590,744	48,297,445	Total assets
						LIABILITIES:
						Current liabilities
8,339	16,972	68,766	283,020	90,102	1,581,605	Accounts payable
	13,336	21,225	77,384	18,284	130,229	Salaries and benefits payable
628,000					7,834,269	Risk management liability-current
	3,869				3,869	Capital lease - current
	1,067	2,618	26,077	941	30,703	Compensated absences - current
636,339	35,244	92,609	386,481	109,327	9,580,675	Total current liabilities
						Noncurrent liabilities
					18,603,339	Risk management liability
	10,434				10,434	Capital leases payable
	73,567	115,732	366,780	90,639	646,718	Compensated absences
	19,161	12,922	35,655	11,688	79,426	Other post-employment benefits
	103,162	128,654	402,435	102,327	19,339,917	Total noncurrent liabilities
636,339	138,406	221,263	788,916	211,654	28,920,592	Total liabilities
						NET ASSETS (DEFICIT) :
						Invested in capital assets,
	28,534	1,607,643	3,098,653	4,988,174	9,723,004	net of related debt
1,484,994	132,206	51,105	3,208,199	1,390,916	9,653,849	Unrestricted
$ 1,484,994	$ 160,740	$ 1,658,748	$ 6,306,852	$ 6,379,090	$ 19,376,853	Total net assets (deficit)

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the fiscal year ended June 30, 2010

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
Operating revenues:						
Charges for services	$ 5,561,998	$ 398,700	$ 930,860	$ 45,456,485	$ 4,265,831	$ 996,001
Total operating revenues	5,561,998	398,700	930,860	45,456,485	4,265,831	996,001
Operating expenses:						
Salaries and benefits						
Services and supplies	8,196,139	1,297,817	5,424,104	45,485,010	4,552,342	912,216
Depreciation and amortization						
Total operating expenses	8,196,139	1,297,817	5,424,104	45,485,010	4,552,342	912,216
Operating income (loss)	(2,634,141)	(899,117)	(4,493,244)	(28,525)	(286,511)	83,785
Nonoperating revenues (expenses):						
Interest income	14,570	6,655	232,255		8,501	8,958
Interest expense						
Intergovernmental						
Gain (loss) on sale of capital assets						
Total nonoperating revenues (expenses), net	14,570	6,655	232,255		8,501	8,958
Income (loss) before contributions and transfers	(2,619,571)	(892,462)	(4,260,989)	(28,525)	(278,010)	92,743
Transfers in						
Transfers out	(271,411)		(782,090)			
Changes in net assets	(2,890,982)	(892,462)	(5,043,079)	(28,525)	(278,010)	92,743
Total net assets (deficit) - beginning	704,707	1,290,060	8,964,595	83,787	800,528	583,067
Cumulative effect of change in accounting principle						
Total net assets - beginning - restated	704,707	1,290,060	8,964,595	83,787	800,528	583,067
Total net assets (deficit) - ending	$ (2,186,275)	$ 397,598	$ 3,921,516	$ 55,262	$ 522,518	$ 675,810

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Internal Service Funds
For the fiscal year ended June 30, 2010

Self Insurance funds						
Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						Operating revenues
$ 1,319,840	$ 1,144,721	$ 2,276,748	$ 5,773,981	$ 2,860,789	$ 70,985,954	Charges for services
1,319,840	1,144,721	2,276,748	5,773,981	2,860,789	70,985,954	Total operating revenues
						Operating expenses.
	609,249	822,711	2,851,805	674,611	4,958,376	Salaries and benefits
1,079,453	457,964	1,335,072	1,891,722	1,119,277	71,751,116	Services and supplies
	12,948	605,235	149,147	784,769	1,552,099	Depreciation and amortization
1,079,453	1,080,161	2,763,018	4,892,674	2,578,657	78,261,591	Total operating expenses
240,387	64,560	(486,270)	881,307	282,132	(7,275,637)	Operating income (loss)
						Nonoperating revenues (expenses):
27,235					298,174	Interest income
	(1,042)				(1,042)	Interest expense
				20,938	20,938	Intergovernmental
		4,358	690	88,460	93,508	Gain (loss) on sale of capital assets
27,235	(1,042)	4,358	690	109,398	411,578	Total nonoperating revenues (expenses), net
267,622	63,518	(481,912)	881,997	391,530	(6,864,059)	Income (loss) before contributions and transfers
		2,342		4,395	6,737	Transfers in
	(15,774)	(22,626)	(246,247)	(19,284)	(1,357,432)	Transfers out
267,622	47,744	(502,196)	635,750	376,641	(8,214,754)	Changes in net assets
1,217,372	112,996	2,160,944	3,324,474	6,002,449	25,244,979	Total net assets (deficit) - beginning
			2,346,628		2,346,628	Cumulative effect of change in accounting principle
1,217,372	112,996	2,160,944	5,671,102	6,002,449	27,591,607	Total net assets - beginning - restated
$ 1,484,994	$ 160,740	$ 1,658,748	$ 6,306,852	$ 6,379,090	$ 19,376,853	Total net assets (deficit) - ending

Statistical Information

County of Stanislaus
Net Assets by Component
(accrual basis of accounting)
Last Nine Fiscal Years

	Fiscal Year								
	2002 as restated	2003 as restated	2004	2005 as restated	2006 as restated	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	$ 502,867,315	$ 496,673,006	$ 495,467,522	$ 486,725,321	$ 468,897,825	$ 464,402,025	$ 435,204,374	$ 418,149,972	$ 397,176,565
Restricted	170,994,690	171,348,552	111,663,081	127,009,622	152,249,240	163,255,952	193,992,595	189,524,182	182,467,381
Restricted by enabling legislation				20,529	126,604				
Unrestricted (deficit)	(30,001,296)	(70,833,738)	(22,784,867)	10,909,303	36,961,726	64,162,858	72,110,910	81,056,076	53,951,001
Total governmental activities net assets	$ 643,860,709	$ 597,187,820	$ 584,345,736	$ 624,664,775	$ 658,235,395	$ 691,820,835	$ 701,307,879	$ 688,730,230	$ 633,594,947
Business-type activities									
Invested in capital assets, net of related debt	$ 22,441,843	$ 22,276,120	$ 24,016,538	$ 27,911,764	$ 29,741,803	$ 29,205,014	$ 23,544,958	$ 24,087,472	$ 24,537,140
Restricted	19,420,965	21,030,306	17,058,797	16,464,101	17,484,367	18,925,816	20,404,464	20,831,269	20,697,693
Restricted by enabling legislation									
Unrestricted (deficit)	(26,574,831)	(32,132,595)	(19,977,851)	(19,270,657)	(24,034,466)	(22,237,324)	(6,364,621)	(13,496,679)	(14,739,508)
Total business-type activities net assets	$ 15,287,977	$ 11,173,831	$ 21,097,484	$ 25,105,208	$ 23,191,704	$ 25,893,506	$ 37,584,801	$ 31,422,062	$ 30,495,325
Primary government									
Invested in capital assets, net of related debt	$ 525,309,158	$ 518,949,126	$ 519,484,060	$ 514,637,085	$ 498,639,628	$ 493,607,039	$ 458,749,332	$ 442,237,444	$ 421,713,705
Restricted	190,415,655	192,378,858	128,721,878	143,473,723	169,733,607	182,181,768	214,397,059	210,355,451	203,165,074
Restricted by enabling legislation				20,529	126,604				
Unrestricted	(56,576,127)	(102,966,333)	(42,762,718)	(8,361,354)	12,927,260	41,925,534	65,746,289	67,559,397	39,211,493
Total primary government net assets	$ 659,148,686	$ 608,361,651	$ 605,443,220	$ 649,769,983	$ 681,427,099	$ 717,714,341	$ 738,892,680	$ 720,152,292	$ 664,090,272

Notes

FY 2001-2002 primary government total net assets was restated from $678,494,188 to $659,148,686

FY 2002-2003 governmental activities total net assets was restated from $639,576,553 to $597,187,820

FY 2004-2005 business-type activities total net assets was restated from $23,160,498 to $25,105,208

FY 2005-2006 business-type activities total net assets was restated from $28,418,264 to $23,191,704

County of Stanislaus
Changes in Net Assets
(accrual basis of accounting)
Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities									
General government	$ 40,719,666	$ 48,391,005	$ 44,290,347	$ 43,758,556	$ 46,905,827	$ 40,326,944	$ 43,025,653	$ 41,874,466	$ 53,939,423
Public protection	136,575,084	143,930,821	146,200,826	153,222,823	171,456,271	179,232,723	191,239,717	188,612,369	187,171,627
Public ways and facilities	33,500,529	39,214,960	45,291,400	49,611,339	43,300,626	48,425,573	55,988,788	53,935,268	48,937,845
Health and sanitation	99,938,442	103,632,801	103,788,932	104,052,780	107,002,519	117,136,073	121,365,271	117,806,204	123,260,103
Public assistance	210,016,007	205,434,527	204,811,256	216,024,493	226,912,785	234,184,853	259,362,079	269,101,718	280,497,676
Education	8,979,780	9,628,228	10,553,123	11,455,049	11,617,617	13,230,701	15,610,881	14,687,440	12,784,666
Recreation	4,786,457	6,062,670	6,710,196	5,367,318	5,936,392	5,172,418	6,879,842	5,811,357	6,986,331
Interest and fiscal charges on long-term debt	11,720,293	11,582,666	17,522,288	17,509,698	15,794,464	18,532,357	16,122,979	15,244,566	16,481,243
Total governmental activities expenses	546,236,258	567,877,678	579,168,368	601,002,056	628,926,501	656,241,642	709,595,210	707,073,388	730,058,914
Business-type activities									
Landfills	7,184,548	7,659,100	4,295,808	1,837,850	4,264,879	4,495,812	4,561,797	4,766,494	8,600,496
Waste-to-Energy	6,879,368								
Behavioral Health	14,019,815	13,799,708	16,655,727	16,256,875	16,574,026	14,981,467	3,403,472	(2,472)	
Health Clinics and Ancillary	36,353,822	37,321,847	40,143,654	42,296,204	47,386,656	46,566,334	44,898,435	44,109,491	47,269,019
Inmate Welfare and Commissary	1,317,672	1,437,906	1,718,460	1,861,958	1,448,930	1,553,968	1,555,411	1,864,632	1,820,149
Transit	1,951,513	2,082,555	2,348,014	2,953,712	2,621,053	2,879,015	3,133,519	3,588,704	3,784,351
Total business-type activities expenses	67,706,738	62,301,116	65,161,663	65,206,599	72,295,544	70,476,596	57,552,634	54,326,849	61,474,015
Total primary government expenses	$ 613,942,996	$ 630,178,794	$ 644,330,031	$ 666,208,655	$ 701,222,045	$ 726,718,238	$ 767,147,844	$ 761,400,237	$ 791,532,929
Program Revenues									
Governmental activities									
Charges for services									
General government	$ 24,217,304	$ 23,686,029	$ 17,555,386	$ 25,096,648	$ 25,071,142	$ 24,445,799	$ 28,325,318	$ 29,188,498	$ 25,288,833
Public protection	33,777,480	33,973,505	40,883,130	47,523,591	47,598,437	45,100,432	44,468,709	42,232,145	40,563,656
Public ways and facilities	2,100,852	1,990,484	12,520,953	14,937,803	13,523,739	11,821,776	10,880,736	7,689,430	6,969,697
Health and sanitation	26,121,085	24,778,203	26,047,686	27,706,588	34,027,134	32,012,248	33,728,583	30,132,125	35,071,044
Public assistance	3,360,030	4,139,918	3,241,588	5,144,987	4,562,731	4,454,712	4,306,559	4,276,140	7,475,063
Education	591,882	387,553	1,958,812	2,597,282	1,791,647	1,119,156	929,447	525,221	456,577
Recreation	3,564,748	2,100,374	3,383,321	4,303,898	4,195,225	3,785,258	3,464,167	2,795,544	2,791,644
Operating grants and contributions	340,536,926	332,085,792	335,349,242	346,718,321	373,932,272	388,750,336	407,883,255	404,255,872	415,579,530
Capital grants and contributions	19,854,710	23,552,188	11,639,869	18,080,864	17,156,592	23,998,543	24,598,071	25,452,497	19,331,088
Total governmental activities program revenues	454,125,017	446,694,046	452,579,987	492,109,982	521,858,919	535,488,260	558,584,845	546,547,472	553,527,132
Business-type activities:									
Charges for services:									
Landfills	5,623,173	4,793,867	4,941,990	5,785,376	5,941,134	5,316,886	5,976,090	4,902,033	4,220,903
Waste-to-Energy	8,556,601								
Behavioral Health	12,487,670	14,756,842	16,138,480	15,994,328	17,043,260	13,767,234	2,747,730		
Health Clinics and Ancillary	37,767,463	37,576,983	39,969,644	38,144,080	36,897,631	27,505,872	40,609,257	40,307,063	44,994,702
Inmate Welfare and Commissary	1,410,094	1,226,081	1,230,589	1,387,650	1,587,772	1,584,935	1,576,214	1,568,646	1,379,595
Transit	178,400	196,832	248,081	280,470	270,282	271,523	287,648	363,804	346,729
Operating grants and contributions	808,097	514,380	2,113,508	945,523	1,172,645	1,906,353	2,567,553	2,952,731	1,296,301
Capital grants and contributions	2,322,034		133,483	2,106,894	219,614		742,258		
Total business-type activities program revenues	69,153,532	59,064,985	64,775,775	64,644,321	63,132,338	50,352,803	54,506,750	50,094,277	52,238,230
Total primary government program revenues	$ 523,278,549	$ 505,759,031	$ 517,355,762	$ 556,754,303	$ 584,991,257	$ 585,841,063	$ 613,091,595	$ 596,641,749	$ 605,765,362

County of Stanislaus
Changes in Net Assets (continued)
(accrual basis of accounting)
Last Nine Fiscal Years

Net (expense)/revenue									
Governmental activities	$ (92,111,241)	$ (121,183,632)	$ (126,588,381)	$ (108,892,074)	$ (107,067,582)	$ (120,753,382)	$ (151,010,365)	$ (160,525,916)	$ (176,531,782)
Business-type activities	1,446,794	(3,236,131)	(385,888)	(562,278)	(9,163,206)	(20,123,793)	(3,045,884)	(4,232,568)	(9,235,785)
Total primary government net expense	$ (90,664,447)	$ (124,419,763)	$ (126,974,269)	$ (109,454,352)	$ (116,230,788)	$ (140,877,175)	$ (154,056,249)	$ (164,758,484)	$ (185,767,567)
General Revenues and Other Changes in Net Assets									
Governmental activities									
Taxes									
Property taxes	$ 29,325,476	$ 31,561,725	$ 34,432,004	36,762,205	91,742,755	106,497,765	113,743,380	103,175,578	83,397,110
Sales taxes	23,656,194	26,468,757	27,480,214	29,434,230	32,547,462	32,520,456	29,552,774	26,568,776	20,677,876
Other taxes	2,603,661	2,918,028	3,787,530	4,667,735	4,693,426	3,390,027	2,583,804	2,765,178	2,220,643
Franchise fees	1,221,235	918,309	1,020,333	1,015,443	1,053,101	1,090,128	1,126,758	1,175,849	958,324
Payment in lieu of taxes									
Motor vehicle license	30,646,886	32,658,197	25,906,813	44,584,362					
Open space subvention	1,803,361	1,737,231	1,691,748	1,670,086	1,609,009	1,545,374	1,466,943	1,332,316	
Rental income	710,984								
Unrestricted investment earnings	5,476,077	3,646,615	2,550,113	10,552,047	8,678,242	13,903,636	11,247,849	7,448,383	9,327,724
Miscellaneous	11,123,678	11,648,645	11,543,413	12,506,005	9,652,580	9,516,094	10,011,674	9,734,087	7,719,050
Donation			13,537,658	9,460,780					
Gain (loss) on sale of fixed assets	(1,684,661)								
Special Item-proceeds of tobacco securitization	52,403,206								
Transfers	3,161,648	5,341,969	(8,203,529)	(1,441,780)	(9,338,373)	(14,124,658)	(11,265,358)	(4,251,900)	(5,250,856)
Total governmental activities	160,447,745	116,899,476	113,746,297	149,211,113	140,638,202	154,338,822	158,467,824	147,948,267	119,049,871
Business-type activities									
Sales taxes	1,606,502	1,892,035		2,422,965	2,506,291	2,626,260	2,528,268	2,781,611	2,962,729
Unrestricted investment earnings	2,479,622	2,571,919	2,106,012	705,257	631,598	848,117	943,553	673,368	95,463
Gain (loss) on sale of fixed assets	(11,801)								
Transfers	(3,161,648)	(5,341,969)	8,203,529	1,441,780	9,338,373	14,124,658	11,265,358	4,251,900	5,250,856
Total business-type activities	912,675	(878,015)	10,309,541	4,570,002	12,476,262	17,599,035	14,737,179	7,706,879	8,309,048
Total primary government	$ 161,360,420	$ 116,021,461	$ 124,055,838	$ 153,781,115	$ 153,114,464	$ 171,937,857	$ 173,205,003	$ 155,655,146	$ 127,358,919
Change in Net Assets									
Governmental activities	$ 68,336,504	$ (4,284,156)	$ (12,842,084)	$ 40,319,039	$ 33,570,620	$ 33,585,440	$ 7,457,459	$ (12,577,649)	$ (57,481,911)
Business-type activities	2,359,469	(4,114,146)	9,923,653	4,007,724	3,313,056	(2,524,758)	11,691,295	3,474,311	(926,737)
Total primary government	$ 70,695,973	$ (8,398,302)	$ (2,918,431)	$ 44,326,763	$ 36,883,676	$ 31,060,682	$ 19,148,754	$ (9,103,338)	$ (58,408,648)

County of Stanislaus
Governmental Activities-Tax Revenues by Source
(accrual basis of accounting)
Last Nine Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total	
2002	$ 29,325,476	$ 23,656,194	$ 2,603,661	$ 55,585,331	
2003	31,561,725	26,468,757	2,918,028	60,948,510	
2004	34,432,004	27,480,214	3,787,530	65,699,748	
2005	36,762,205	29,434,230	4,667,735	70,864,170	
2006	91,742,755	32,547,462	4,693,426	128,983,643	(1)
2007	106,497,765	32,520,456	3,390,027	142,408,248	
2008	113,743,380	29,552,774	2,583,804	145,879,958	
2009	103,175,578	26,568,776	2,765,178	132,509,532	
2010	83,397,111	20,677,876	2,220,643	106,295,630	

(1) Over $46 million ot the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

County of Stanislaus
Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund									
Reserved	$ 16,910,835	$ 23,941,306	$ 25,354,279	$ 25,924,335	$ 31,767,114	$ 44,479,034	$ 62,679,395	$ 41,020,498	$ 33,648,284
Unreserved	38,924,411	35,999,464	33,292,699	56,023,028	74,630,642	72,660,005	61,246,112	81,512,275	72,768,168
Total general fund	$ 55,835,246	$ 59,940,770	$ 58,646,978	$ 81,947,363	$ 106,397,756	$ 117,139,039	$ 123,925,507	$ 122,532,773	$ 106,416,452
All other governmental funds									
Reserved	$ 32,322,226	37,071,720	108,136,528	67,918,410	48,258,775	41,362,101	33,055,756	44,950,684	38,392,864
Unreserved, reported in									
Special revenue funds	113,216,454	107,689,217	110,031,476	109,598,487	163,006,645	163,980,081	167,860,880	165,211,615	166,634,879
Capital project funds	51,563,966	47,090,116	25,250,961	68,311,908	101,602,439	116,592,397	127,469,211	113,352,227	107,615,020
Debt service funds	7,288,740	4,631,675	2,527,799	1,177,586	86,286	716,295	803,917	(53,215)	343,325
Total all other governmental funds	$ 204,391,386	$ 196,482,728	$ 245,946,764	$ 247,006,391	$ 312,954,145	$ 322,650,874	$ 329,189,764	$ 323,461,311	$ 312,986,088

County of Stanislaus
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Nine Fiscal Years

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues									
Taxes	$ 55,585,337	$ 60,948,505	$ 65,574,750	$ 70,907,713	$ 128,897,810	$ 142,332,996	$ 146,040,455	$ 132,516,011	$ 106,302,266
Licenses, permits and franchises	3,514,853	3,406,830	4,522,962	5,229,280	5,795,146	5,632,176	4,850,084	4,362,507	3,779,539
Fines, forfeitures and penalties	6,978,905	7,993,664	6,458,261	8,249,576	12,293,083	13,334,536	16,471,765	18,740,397	15,853,039
Revenue from use of money and property	10,439,033	7,908,954	5,385,832	14,087,837	14,851,573	23,993,844	20,366,844	13,135,585	11,628,717
Intergovernmental revenue	382,418,947	379,661,625	374,587,670	404,173,862	385,428,573	399,060,197	423,136,156	424,320,463	432,391,862
Charges for services	87,224,458	84,689,346	96,416,581	110,621,879	113,569,885	105,010,453	106,066,595	95,147,099	99,969,868
Miscellaneous revenue	11,091,239	11,648,645	11,543,413	12,513,789	9,652,580	9,516,094	10,012,180	9,734,085	7,700,801
Donation			13,537,658	6,145,113		3,736,752			
Total revenues	557,252,772	556,257,569	578,027,127	631,929,049	670,488,650	702,617,048	726,944,079	697,956,147	677,626,092
Expenditures									
General	36,494,615	39,042,574	38,197,737	38,619,527	44,505,563	36,843,138	42,117,731	35,384,104	32,492,953
Public Protection	133,205,484	140,359,147	142,936,105	155,069,132	164,830,857	181,167,098	191,335,195	187,668,670	184,488,026
Public ways and facilities	22,887,072	24,703,267	22,352,607	19,355,303	21,154,573	28,138,841	33,640,576	33,072,185	24,836,257
Health and sanitation	98,746,982	103,859,610	103,266,153	105,176,319	108,099,835	117,532,564	121,486,760	117,463,923	117,204,330
Public assistance	209,041,477	204,532,483	203,468,428	215,860,788	226,545,330	233,950,056	258,662,538	268,783,428	278,429,040
Education	12,950,762	9,449,163	9,676,337	10,055,515	10,522,628	12,683,522	14,038,114	12,614,620	11,426,521
Recreation and cultural services	4,401,008	5,433,031	6,606,007	4,260,721	4,414,323	5,288,606	6,548,470	5,393,150	5,180,469
Capital outlay	8,317,137	17,840,345	14,724,893	28,409,155	18,404,088	18,105,515	7,032,270	11,398,556	17,536,137
Debt Service:									
Interest and fiscal charges	11,808,658	11,207,951	18,869,034	16,417,218	16,380,484	16,070,101	13,622,687	12,187,477	11,420,042
Principal	9,635,816	10,208,176	17,014,661	13,021,864	13,578,584	18,429,803	16,444,563	18,125,510	18,546,652
Total expenditures	547,489,011	566,635,747	577,111,962	606,245,542	628,436,265	668,209,244	704,928,904	702,091,623	701,560,427
Excess of revenues over (under) expenditures	9,763,761	(10,378,178)	915,165	25,683,507	42,052,385	34,407,804	22,015,175	(4,135,476)	(23,934,335)
Other financing sources (uses)									
Capital lease proceeds	309,984	290,938	29,651		219,767	129,559	254,451	1,005,918	1,224,693
Transfers in	84,654,371	75,409,177	68,602,177	67,662,570	78,628,427	77,077,052	81,047,677	84,579,807	67,347,195
Transfers out	(80,585,027)	(69,413,722)	(76,677,619)	(68,986,762)	(88,271,040)	(91,273,994)	(92,022,031)	(88,571,434)	(71,247,364)
Loan proceeds	4,516,403		47,408,114		15,615,000	42,081,614			
Sale of capital assets	7,722	288,640	6,710	697		15,401	501		18,266
Payment to refund bond agent						(41,999,424)			
Total other financing sources (uses)	8,903,453	6,575,033	39,369,033	(1,323,495)	6,192,154	(13,969,792)	(10,719,402)	(2,985,709)	(2,657,210)
Special item									
Proceeds of tobacco securitization	52,403,206				42,153,611				
Net change in fund balances	$ 71,070,420	$ (3,803,145)	$ 40,284,198	$ 24,360,012	$ 90,398,150	$ 20,438,012	$ 11,295,773	$ (7,121,185)	$ (26,591,545)
Debt service as a percentage of noncapital expenditures	3.98%	3.90%	6.38%	5.09%	4.91%	5.31%	4.31%	4.39%	4.38%

County of Stanislaus
Net Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
2000/2001	$ 19,795,443,842	$ 1,206,626,885	$ 21,002,070,727	1.0%
2001/2002	$ 21,317,074,370	$ 1,360,820,907	$ 22,677,895,277	1.0%
2002/2003	$ 23,364,100,262	$ 1,315,502,382	$ 24,679,602,644	1.0%
2003/2004	$ 25,437,563,896	$ 1,448,952,923	$ 26,886,516,819	1.0%
2004/2005	$ 28,051,289,609	$ 1,417,019,559	$ 29,468,309,168	1.0%
2005/2006	$ 32,208,454,089	$ 1,587,421,541	$ 33,795,875,630	1.0%
2006/2007	$ 37,791,765,530	$ 1,680,662,352	$ 39,472,427,882	1.0%
2007/2008	$ 41,620,543,863	$ 1,724,988,175	$ 43,345,532,038	1.0%
2008/2009	$ 38,597,715,159	$ 1,826,743,622	$ 40,424,458,781	1.0%
2009/2010	$ 35,370,164,996	$ 1,926,983,957	$ 37,297,148,953	1.0%

Note: Values are net values of all exemptions except the Homeowners Property Tax Rekuef Exemption which is State subvented. However, adjustments and cancellations after publication of the roll are not included. Values do include the assessed value of non-commercial aircraft.

(1) Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the CCPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Resultantly, similar properties can have substantially different assessed values based on the date of purchase.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments. A small area of the County is taxed at a rate less than 1% due to a decrease of service in that area.

County of Stanislaus
Property Tax Rates and Distributions
of General Levy Property Tax Rate
Among Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Rates Per $100 of Assessed Valuation (Low)	(High)	County	Cities	(1) School District	(2) Special District	Total
2000/2001	0.8715	1.1461	11.54%	6.43%	74.16%	7.87%	100.00%
2001/2002	0.9657	1.1382	11.53%	6.54%	73.80%	8.13%	100.00%
2002/2003	0.9498	1.1360	11.25%	6.49%	72.82%	9.44%	100.00%
2003/2004	0.9594	1.1280	11.18%	6.49%	73.24%	9.09%	100.00%
2004/2005	0.9500	1.1240	11.13%	6.49%	72.90%	9.48%	100.00%
2005/2006	0.9511	1.1668	10.88%	6.70%	72.28%	10.14%	100.00%
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%
2008/2009	0.9233	1.2053	10.98%	6.52%	71.11%	11.39%	100.00%
2009/2010	1.0202%	1.2168	11.09%	6.37%	71.23%	11.31%	100.00%

The County is divided into approximately 1,223 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts,dependent special districts,redevelopment agencies and County Fire Service.

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Secured Assessed Value	2009/2010 Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	2000/2001 Property Taxes	Rank	Percentage of Total Property Taxes
World International	$ 18,287,656	$ 3,162,145	1	0.7079%			
Gallo Glass Co	262,134,553	2,901,950	2	0.6496%	1,386,416	2	0.6284%
Gallo Winery	191,043,071	2,125,807	3	0.4759%	1,026,839	4	0.4654%
Pacific Gas and Electric	163,222,459	2,010,850	4	0.4502%	1,095,237	5	0.4964%
Doctors Medical Center	121,711,060	1,320,518	5	0.2956%	939,599	7	0.4259%
Hunt Wesson Foods, Inc	113,492,632	1,280,970	6	0.2868%	1,052,586	6	0.4771%
Recot Inc (Frito Lay)	105,292,140	1,170,276	7	0.2620%			
Foster Dairy Farms	105,467,709	1,164,091	8	0.2606%			
SBC California (Pacific Bell)	93,899,818	1,156,708	9	0.2589%	1,615,269	1	0.7322%
Del Monte Corp	93,699,668	1,071,581	10	0.2399%			
Tri-Valley Growers					1,188,806	3	0.5389%
Hersheys Inc					748,694	8	0.3394%
Macerich Vinatage Faire Ltd					740,805	9	0.3358%
Proctor and Gamble					766,226	10	0.3473%
Total	1,268,250,766	$ 17,364,896		3.8873%	$ 10,560,477		4.7868%

County of Stanislaus
Property Tax Levy and Collections *
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2001	$ 233,334,911	$ 228,045,563	97.73%
2002	$ 251,556,329	$ 245,881,778	97.74%
2003	$ 274,749,639	$ 270,047,250	98.29%
2004	$ 303,836,456	$ 295,829,739	97.36%
2005	$ 333,902,361	$ 326,003,357	97.63%
2006	$ 396,734,408	$ 383,041,323	96.55%
2007	$ 461,085,798	$ 431,482,886	93.58%
2008	$ 505,125,278	$ 464,689,972	91.99%
2009	$ 474,286,882	$ 451,524,927	95.20%
2010	$ 446,704,648	$ 430,564,452	96.39%

* Includes all taxing authorities within the County excluding Airplane Tax.

County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2001	$ 22,677,895,277	1.25%	$ 283,473,691	$ -	$ 283,473,691	0%
2002	$ 24,289,534,754	1.25%	$ 303,619,184	$ -	$ 303,619,184	0%
2003	$ 26,535,421,401	1.25%	$ 331,692,768	$ -	$ 331,692,768	0%
2004	$ 29,160,150,955	1.25%	$ 364,501,887	$ -	$ 364,501,887	0%
2005	$ 33,476,100,273	1.25%	$ 418,451,253	$ -	$ 418,451,253	0%
2006	$ 39,155,801,284	1.25%	$ 489,447,516	$ -	$ 489,447,516	0%
2007	$ 42,974,745,064	1.25%	$ 537,184,313	$ -	$ 537,184,313	0%
2008	$ 40,026,418,777	1.25%	$ 500,330,235	$ -	$ 500,330,235	0%
2009	$ 37,297,148,953	1.25%	$ 466,214,362	$ -	$ 466,214,362	0%
2010	$ 35,558,908,063	1.25%	$ 444,486,351	$ -	$ 444,486,351	0%

Note: The legal debt limit percentage is set by statue. Debt includes only general obligation bonded debt supported by property taxes.

COUNTY OF STANISLAUS
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
(as of January 1, 2010)

2009-10 Assessed Valuation:	$37,297,148,953 (includes unitary utility valuation)
Redevelopment Incremental Valuation:	3,497,695,069
Adjusted Assessed Valuation:	$33,799,453,884

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/10
Yosemite Community College District	69.607%	$158,836,213
Modesto High School District	100.	59,694,357
Turlock Joint Union High School District	98.308	33,164,204
Ceres Unified School District	100.	52,509,383
Newman-Crows Landing Unified School District	100.	21,747,020
Oakdale Joint Unified School District	98.190	17,502,368
Patterson Joint Unified School District	98.898	33,537,716
Riverbank Unified School District	100.	15,104,361
Other Unified School Districts	Various	44,755,647
Modesto City School District	100.	15,963,051
Sylvan School District	100.	27,555,000
Turlock Joint School District	97.953	9,633,678
Other School Districts	Various	29,390,680
Oak Valley Hospital District	100.	36,405,000
Newman Drainage District	100.	250,000
Empire Union School District Community Facilities District No. 87-1	100.	14,704,330
City Community Facilities Districts	100.	121,090,000
Salida Area Community Facilities District No. 1988-1	100.	33,910,000
Western Hills Water District Community Facilities District No. 1	100.	51,445,000
City 1915 Act Bonds (Estimate)	100.	11,124,063
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$788,322,071
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	**100. %**	**$ 87,675,000**
Stanislaus County Pension Obligations	100.	39,780,000
Stanislaus County Office of Education Certificates of Participation	100.	4,895,000
Modesto High School and City School District Certificates of Participation	100.	7,705,000
Ceres Unified School District Certificates of Participation	100.	10,195,000
Newman-Crows Landing Unified School District	100.	12,655,000
Salida Union School District Certificates of Participation	100.	7,935,000
Other School District Certificates of Participation	Various	23,121,318
City of Modesto General Fund Obligations	100.	87,265,000
City of Newman Certificates of Participation	100.	1,980,000
Other City Certificates of Participation	100.	4,600,128
Keyes Fire Protection District Certificates of Participation	100.	180,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$287,986,446
Less: City of Newman Wastewater Certificates of Participation (100% self-supporting)		1,980,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$286,006,446
GROSS COMBINED TOTAL DEBT		$1,076,308,517 [1]
NET COMBINED TOTAL DEBT		$1,074,328,517

[1] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2009-10 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 2.11%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($127,455,000) 0.38%

Gross Combined Total Debt 3.18%
Net Combined Total Debt 3.18%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

County of Stanislaus
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	446,997	10,916,779	23,467	9.1%
2002	469,512	11,460,836	23,871	10.8%
2003	481,604	11,944,709	24,337	11.2%
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	13,472,415	26,954	9.9%
2006	514,370	14,076,261	27,862	8.4%
2007	521,497	14,755,527	28,985	8.5%
2008	525,903	15,977,182	31,485	10.5%
2009	526,383	not available	not available	15.3%
2010	530,584	not available	not available	16.4%

Sources:
(1) California Department of Finance
(2) United States Department of Commerce
(3) State of California Employment Development Department (data shown is for the County)

County of Stanislaus
Principal Employers
Current Year and Nine Years Ago

(1) Employer	2010 Employees	2010 Rank	2010 Percentage of Total County Employment	2001 Employees	2001 Rank	2001 Percentage of Total County Employment
County of Stanislaus	3,990	1	1.96%	4,200	1	2.14%
E & J Gallo	3,308	2	1.63%	2,500	3	1.27%
Modesto City Schools	3,113	3	1.53%	2,900	2	1.48%
Memorial Medical Center	3,013	4	1.48%	1,900	7	0.97%
Turlock Unifed School District	2,120	5	1.04%	1,170	10	0.60%
Seneca Foods	2,100	6	1.03%			
Doctors Medical Center	1,984	7	0.98%	2,010	6	1.02%
Del Monte Foods	1,700	8	0.84%			
Modesto Junior College	1,643	9	0.81%			
Ceres Unified School District	1,561	10	0.77%			
Tri-Valley Growers				2,500	4	1.27%
Emanuel Medical Center				1,200	8	0.61%
City of Modesto				1,100	9	0.56%
Foster Farms				2,300	5	1.17%
Total	24,532		12.07%	21,780		11.09%

Source: (1) Stanislaus Economic Development & Workforce Alliance

County of Stanislaus
Full-time Employees by Function
Last Nine Fiscal Years

	Full-time Employees as of June 30								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function									
Governmental activities:									
General government	402	374	333	331	341	343	352	348	337
Public protection	1,342	1,301	1,317	1,368	1,378	1,441	1,486	1,464	1,418
Public ways and facilities	125	115	121	123	123	121	109	110	107
Health and sanitation	1,018	983	984	961	937	916	644	676	664
Public assistance	926	858	894	898	897	952	979	951	927
Education	85	89	91	92	93	94	94	88	86
Recreation	34	33	31	26	25	28	30	27	23
Total governmental activities	3,932	3,753	3,771	3,799	3,794	3,895	3,694	3,664	3,562
Business-type activities:									
Landfills	14	15	17	17	17	15	17	17	17
Behavioral Health	102	106	116	99	108	79	0	0	0
Health Clinics & Ancillary	273	256	263	243	222	217	193	229	220
Transit	3	3	3	3	3	3	3	3	3
Total business-type activities	392	380	399	362	350	314	213	249	240
Total Stanislaus County	4,324	4,133	4,170	4,161	4,144	4,209	3,907	3,913	3,802

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2010

GEOGRAPHICAL LOCATION :	Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.
AREA OF COUNTY :	Approximately 1,494 square miles
COUNTY SEAT :	Modesto, California
FORM OF GOVERNMENT :	General Law, County governed by five-member Board of Supervisors
DATE COUNTY FORMED :	April 1, 1854
FISCAL YEAR BEGINS :	July 1.

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts Controlled by Board of Supervisors :

County Service Areas	20	Landscape and Lighting	8
Drainage	7	Cap. Imp.	1
Lighting	27	Total	63

Number of other Special Districts :

California Water	12	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	3	Reclamation	3
Community Services	8	Hospital	3
Flood Control & Drainage	2	Irrigation	4
Fire Protection	14	Drainage	1
Emergency Medical Service	1	Lighting	1
Redevelopment Agency	10	StanCOG	1
Finance Agency	2	Total	72

County of Stanislaus
Miscellaneous Statistical Data (continued)
June 30, 2010

ELECTION JUNE 08, 2010
(County Registrar of Voters)

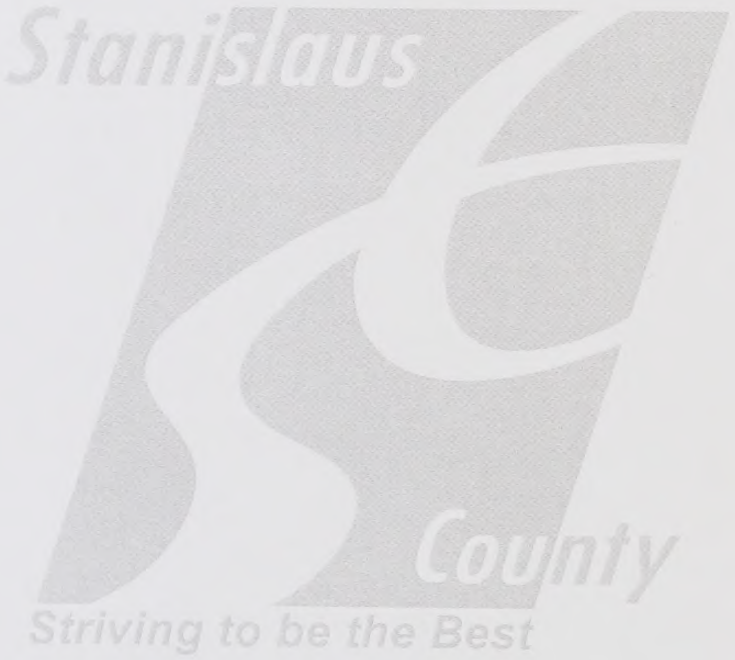
Registered Voters:	224,513
Number Voting:	71,405
Percent Voting:	31.80%

MILES OF COUNTY-MAINTAINED ROADS
(County Department of Public Works)

1,546

CONSTRUCTION PERMITS
(County Building Department)

Calendar Year	# of Permits	Cost of Permits
2000	3,201	$1,616,198
2001	3,522	$1,596,172
2002	3,281	$1,703,735
2003	3,504	$2,939,814
2004	3,515	$1,326,118
2005	3,813	$4,755,706
2006	3,965	$5,637,126
2007	3,076	$2,679,003
2008	2,448	$1,926,485
2009	2,032	$1,729,597


Stanislaus
County
Striving to be the Best